S. Hrg. 100-397

VETERANS' EMPLOYMENT, TRAINING, AND COUNSELING AMENDMENTS OF 1987, AND OTHER ISSUES

HEARING

BEFORE THE

COMMITTEE ON VETERANS' AFFAIRS
UNITED STATES SENATE

ONE HUNDREDTH CONGRESS

FIRST SESSION

ON

S. 999 and S. 918

APRIL 30, 1987

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VETERANS' EMPLOYMENT, TRAINING, AND COUNSELING AMENDMENTS OF 1987, AND OTHER ISSUES

THURSDAY, APRIL 30, 1987

U.S. Senate,
Committee on Veterans' Affairs,
Washington, DC.

The committee met, pursuant to notice, at 8:46 a.m., in room SR-418, Russell Senate Office Building, Hon. John D. Rockefeller, IV presiding.

Present: Senators Cranston, DeConcini, Rockefeller, Graham, and Thurmond.

Senator Rockefeller. The hearing will come to order, please. We will be very pleased to hear now from Senator Thurmond.

OPENING STATEMENT OF SENATOR THURMOND

Senator Thurmond. Thank you very much, Mr. Chairman. We are marking up a bill, and I appreciate your calling on me because I need to get right down there.

It surely is a pleasure for me to be here today to receive testimony on S. 999, legislation which would amend the Veterans' Job Training Act, and S. 918, legislation which would make changes in certain education assistance programs. Each of these measures deserves our close attention. I want to take this opportunity to thank the Chairman for scheduling this hearing and thank our distinguished guests from the Veterans' Administration, the Department of Labor, the service organizations and from local employment offices for being with us this morning.

I am especially pleased to have Dr. Jack David, Executive Director of the South Carolina Employment Security Commission, with us today. Dr. David has given the South Carolina Employment Security Commission over 12 years of very able leadership. He is strongly committed to veterans' employment issues, and I hold him in the highest esteem.

Mr. Chairman, I am pleased to be a cosponsor of the Veterans' Employment, Training, and Counseling Amendments of 1987. This legislation seeks to make the current program of veterans' job training more efficient by establishing a statutory number of local veterans' employment representatives, establishing uniform performance standards and performance reviews, establishing a structured chain of command among job service officers, establishing a National Veterans' Employment and Training Service Institute, and modifying the current method of reimbursement to employers involved in job training.

Though I have joined in cosponsoring this legislation, I am concerned with certain provisions which could require a local veterans' employment representative (LVER) in any service area where 5,000 veterans reside, regardless of whether these veterans have employment needs. Hopefully, the witnesses today will discuss their reasons for supporting such provisions.

Finally, Mr. Chairman, I appreciate the time these distinguished witnesses have taken to come here today, and I look forward to reading their testimony. I regret that I have to be in another hearing at this time; and I do have two questions that I would appreciate your asking at the appropriate time during the hearing. Thank you very much, Mr. Chairman.

Senator **Rockefeller**. Thank you very much, Senator Thurmond. We are very grateful not only that you are a cosponsor of the bill but also that you took the time to come by this hearing for a few minutes this morning.

I have a couple of comments I would like to make before we get started today. There is a lot going on today, and one of those things is the Senate Finance Committee's markup of the trade bill. Today's session is going to be a particularly crucial meeting, and will be starting in about 40 minutes, which is one reason why I wanted to start the hearing a little bit early this morning.

I would like to attempt to complete this hearing, with statements from all the witnesses, by 10:30 to 11:00 a.m. I believe we can do that. One way we can do that is to have each witness's testimony in full included in the record, as is always done, and have each witness summarize his testimony in a 5-minute time period. That is sometimes easier said than done, but we hope we can do that; and then we will have some discussion and questions for the record, all of which will be fully responded to. I want to make a couple of comments of my own before we begin. Before I begin, I want to recognize the distinguished Senator from Arizona. Do you have something to say, Senator?

Senator **DeConcini**. I have nothing to say.

Senator **Rockefeller**. Nothing to say at this particular point? All right.

OPENING STATEMENT OF SENATOR ROCKEFELLER

Senator **Rockefeller**. I was very happy to get the request from Senator Cranston to chair this hearing. I, like Senator DeConcini, made a commitment way back to work on these issues. My commitment, in my days as Governor of West Virginia and now, is to ensure that job training and other employment programs for veterans are effective.

Those who have had their lives interrupted—often at great personal cost—in order to defend our freedom and ensure the Nation's security deserve our unceasing efforts to share with them the great bounty of our Nation. Thus, I am delighted to have the chance, as a member of this committee, to work on the important issues we will be dealing with today. We must make needed improvements in programs that assist veterans in finding and keeping stable and productive employment.

I was also very pleased earlier this year to introduce—with the cosponsorship of Senators Cranston, DeConcini, Matsunaga, Mitchell, Graham of Florida, and Kerry—S. 553, a bill to make the Veterans' Job Training Act more accessible to homeless veterans, to authorize fiscal year 1987 appropriations for $30 million, and to extend the deadlines for participation. On February 26, this committee adopted the provisions of that legislation in S. 477, the proposed "'Homeless Veterans' Assistance Act of 1987," and the Senate has twice passed those provisions—in S. 477 on March 31 and on April 9 in H.R. 558, the proposed "Urgent Relief for the Homeless Act."

Now, this morning we are going to begin hearing testimony on Amendment No. 160 to S. 999, the proposed "Veterans' Employment, Training, and Counseling Amendments of 1987." I was pleased to join with Senator Cranston and the other original cosponsors, Senators Matsunaga and DeConcini, in proposing this legislation to improve veterans' employment and job training and counseling programs under chapter 41 of the title 38 and to amend the Veterans' Job Training Act to make improvements in the design of the program and to authorize appropriations for fiscal years 1988 and 1989. Senator Thurmond, who was just here, and Senator Graham of Florida have also recently joined as cosponsors of this legislation.

We will also be hearing testimony on S. 918, the administration-proposed legislation which would amend various provisions of title 38, relating to veterans' educational assistance programs, and which would repeal the Education Loan Program.

As to the specifics of Amendment No. 160, it would rewrite various provisions of chapter 41 of title 38 so as to improve the delivery of veterans' employment, job training, and counseling services. Chapter 41 requires the Assistant Secretary of Labor for Veterans' Employment and Training—whom I will call the Assistant Secretary—to ensure that eligible veterans are provided job counseling and training and employment programs through the Veterans' Employment and Training Service, and generally receive maximum employment and training opportunities, with priority given to disabled veterans and veterans of the Vietnam era.

Now, to this end, the Assistant Secretary is required to work through State employment agencies and with two types of federally-funded veteran employment specialists—the local veterans' employment representatives (LVERs) and the disabled veterans' outreach Program Specialists (DVOPs)—who are employed by the State employment service agencies and assigned to local employment service offices.

Representing the Assistant Secretary in each State is a State Director and certain Assistant State Directors of Veterans' Employment and Training, who are responsible for overseeing State compliance with the requirements of chapter 41.

One of the most important changes proposed by the legislation is improving the accountability of DVOPs and LVERs. Although these are federally-funded positions, and the individuals filling them are required under Federal law to perform specific duties related to meeting the employment needs of eligible veterans, Federal monitoring of their performance is very limited. To enhance accountability, Amendment No. 160 would require that DVOPs and LVERs be "functionally responsible" to the Assistant Secretary's representative, the State Director. In this regard, I stress, for Senator Cranston and myself, that "functional supervision" is quite distinct from "line supervision," and that this provision is not intended to impose a dual management structure on the LVER or DVOP programs.

Amendment No. 160 would also require the Secretary of Labor to establish and implement uniform performance standards for DVOPs and LVERs and that the State Directors of Veterans' Employment formally participate in annual ratings of the performance of DVOPs and LVERs. Other provisions aimed at improving services to veterans under chapter 41 would:

First, create for the first time a statutory funding formula for LVERs in order to ensure an appropriate number of LVERs; second, require that all new LVERs be veterans, with hiring preference for disabled veterans; third, create a permanent statutory basis for the National Veterans' Training Institute, which is currently operating as a pilot project.

The second set of Amendment No. 160 provisions would amend VJTA in order to increase the numbers of veterans completing their on-the-job training programs. VJTA is designed to help long-term unemployed Vietnam era and Korean conflict veterans gain job training and employment through a program of cash incentives given to employers to help them defray the cost of providing training to such veterans. Although by many measures, VJTA has been very successful in meeting its objectives, less than half of those who enter training programs successfully complete them.

Therefore, our bill contains provisions to require that the Administrator of Veterans' Affairs and the Secretary of Labor jointly develop and implement both a case-manager approach, under which a case manager would be assigned to each veteran entering training, and an improved program of counseling services for veterans participating in VJTA.

In addition, in the case of a veteran who either voluntarily drops out of, or is involuntarily terminated from, a VJTA training position, the VA would be required to provide vocational counseling to the veterans before he or she would be eligible for recertification.

The third set of Amendment No. 160 provisions would authorize annual VJTA appropriations of $60 million for each of fiscal years 1988 and 1989 and would extend the deadline for veterans to apply for and enter training. This funding would enable approximately 40,000 additional long-term unemployed veterans to participate in VJTA job training programs over the next 2 fiscal years.

Regarding the deadlines for VJTA participation, Amendment No. 160 would extend the deadline for application from July 2, 1987 to June 30, 1989, and the deadline for entry into a job training program from June 30, 1988 to December 31, 1989.

Finally, Amendment No. 160 would change the formula for reimbursing employers for their costs incurred in training veterans. Currently, employers are reimbursed 50 percent of the amount of the veteran's monthly wages for each month in the training period.

However, according to a recent evaluation of VJTA by a private consulting firm, Centaur, a significant portion of veterans drop out of training because they are dissatisfied with their programs, and most do so in the first 3 months.

By redistributing the payments to employers so that there would be a lump sum bonus upon completion of the training period—without increasing the total amount paid—we hope to create a significant financial incentive for employers to be more responsive to veterans' employment needs and to help veterans resolve any problems that arise during training.

Under our proposal, an employer would receive 30 percent of the amount of the veteran's wages in each of the first 4 months of the training period, 50 percent of the amount of the veteran's wages each month following that period, and, upon successful completion of that program by the veteran, a lump sum amount equal to the 20 percent withheld for the first 4 months.

We have a great deal of ground to cover this morning, and I look forward to hearing from each of the witnesses and to working together with them and the Chairman and other members of the committee in the further development of legislation in the areas of education and employment.

Before hearing our distinguished witnesses, I would recognize Senator DeConcini from Arizona.

OPENING STATEMENT OF SENATOR DeCONCINI

Senator DeConcini. Mr. Chairman, thank you, and I am glad I got here before you started your summary of the bill because I think it sets the stage for exactly what we are interested in doing, and I want to compliment you on your leadership here.

I want, of course, to welcome all the witnesses who are going to appear here today. Because of scheduling, which seems to be the plague of this job, I will have to go to the Select Committee on Indian Affairs for a 9 o'clock markup. So, I cannot stay for all of this, but thank you, Mr. Chairman, for letting me introduce one witness of whom I am very proud. I am here to introduce to the committee Mr. Augustin Hernandez. He is from Phoenix, Arizona. In addition to serving as the Chief Executive Officer of the Hernandez Electric Company, Mr. Hernandez is President of the Arizona Independent Contractors Association. He is a leader in community and civic activities.

Just to give you a little idea of some of the things that he is involved in: He is a member of the Maricopa County Private Industry Council; he is a member of the Arizona Hispanic Chamber of Commerce; and he is a member of the prestigious Board of Directors of the Arizona Academy. He has recently been honored by the Arizona Disabled American Veterans as Employer of the Year, and for good reason.

This year, he has approximately 70 employees; 35 of those are veterans, one of the highest percentages any company is known to have employed. Last year he had almost the same number. Moreover, he is appearing here at his own expense, Mr. Chairman; and I just want to tell Mr. Hernandez that I deeply appreciate the time and the effort that he has given to this. You have been helpful to us by bringing to our attention your hands-on experience with this program. Hopefully, we will be able to benefit from his advice on the Veterans' Job Training Act.

Guy, we are very proud of you and the work that you have done for the veterans and also for the Phoenix community. Also, I have had a chance to review your statement, and it is going to be very, very helpful to this committee, I can assure my fellow colleagues. Thank you, Mr. Chairman.

Senator ROCKEFELLER. Thank you, Senator DeConcini. I would just like to say to the members of this committee that I have watched with interest the work of Senator DeConcini, and he is right in the center of action for veterans.

I will give you an example of this. In recent weeks, he has been leading the effort to get supplemental funds for the VTPA program. He does not publicize that fact much, but the Senate is aware of what he is doing. He is a champion of the veteran, and I am very, very pleased that he was able to drop by this morning.

Senator DECONCINI. Thank you, Mr. Chairman.

Senator ROCKEFELLER. Senator Graham, we welcome you this morning. Would you care to make a statement either now or later?

Senator GRAHAM. Mr. Chairman, I have a statement which I would like to submit for the record.

[The prepared statement of Senator Graham appears on p. 84.]

Senator ROCKEFELLER. That will be done. Before you got here this morning, Senator, we had mentioned that you are one of this measure's cosponsors, and we are very grateful for that. Now, we have our first two witnesses: Mr. Vogel, who is the Chief Benefits Director of the Veterans' Administration, who is accompanied by Dennis Wyant, Director of Vocational Rehabilitation and Education Service, and Grady Horton, Deputy CBD for Program Management; and the Honorable Donald Shasteen, Assistant Secretary for Veterans' Employment and Training, U.S. Department of Labor. Mr. Vogel?

STATEMENT OF R.J. VOGEL, CHIEF BENEFITS DIRECTOR, VETERANS' ADMINISTRATION, ACCOMPANIED BY DR. DENNIS R. WYANT, DIRECTOR, VOCATIONAL REHABILITATION AND EDUCATION SERVICE; AND GRADY W. HORTON, DEPUTY CHIEF BENEFITS DIRECTOR FOR PROGRAM MANAGEMENT

Mr. VOGEL. Good morning, Mr. Chairman and members of the committee. I am accompanied on my right by Dennis Wyant, the Director of the Vocational Rehabilitation and Education Service, and on the far left of the table by Grady Horton, the Deputy Chief for Programs.

I am pleased to be here to provide you with our views on this major legislation, S. 918 and S. 999, as well as the amendment to S. 999. We would like to submit our written testimony for the record and provide you with a summary of VA's positions, if you have no objection.

Senator ROCKEFELLER. Please.

Mr. VOGEL. It is always a pleasure to share the witness table with Assistant Secretary Shasteen as we work together on our mutual roles to offer services to veterans.

Mr. Chairman, in our written testimony, we provide our position on the extension of the VJTA Program. We believe the VJTA Program has accomplished what it was designed to do.

Our position on S. 999 is also contained in our written testimony. Mr. Chairman, you also asked our comments on S. 918, the proposed Veterans' Educational Assistance Improvements Act of 1987, which was introduced on April 2. This measure would amend the New G.I. Bill active duty to authorize a 2-week period after the date of an individual's initial entry on active duty within which that individual may elect not to receive chapter 30 education benefits.

S. 918 would also eliminate authorization for advance payment of subsistence allowances under chapter 31 of the Vocational Rehabilitation Program to certain eligible veterans. The bill would also amend chapter 36 of title 38 to provide that, for purposes of measuring training time, the term "standard class session" means 2 hours of "two fifty-minute periods" of laboratory instruction.

The bill would amend the chapter 36 requirement for annual compliance surveys at each educational institution that offers one or more approved courses in which 300 or more veterans are enrolled, or which offers courses which do not lead to a standard college degree. This amendment would allow us to utilize our personnel more effectively.

Finally, the bill would repeal VA education loans, including accelerated payments, to veterans and eligible persons.

The VA education loan program has an excessively high default rate of 75 percent. In 1981, the Congress addressed the problem of the education loan program.

Since that time, the number of loans made has continued to decline, and we now believe that all authority of the VA to make education loans should be removed.

Mr. Chairman, that concludes my formal statement. I would be pleased to respond to any questions you or members of the committee may have.

Senator Rockefeller. Thank you, Mr. Vogel. We will hear from Secretary Shasteen before we ask any questions. Secretary Shasteen?

[The prepared statement of Mr. Vogel appears on p. 87.]

STATEMENT OF HON. DONALD E. SHASTEEN, ASSISTANT SECRETARY FOR VETERANS' EMPLOYMENT AND TRAINING, U.S. DEPARTMENT OF LABOR

Mr. Shasteen. Mr. Chairman, you have my written statement for the record. So, just by way of summary, I would say that this bill contains several provisions for improved services to veterans and certainly provides our agency with more leverage in negotiating agreements with the States to carry out these mandates.

I would mention particularly that participation rate of only about 40 percent has been a matter of great concern to us. Since we have established the counseling program, we hope that that rate will rise appreciably.

I will be glad to answer any questions you may have, but in the interest of time, I will stop there with my summary.

Senator **Rockefeller**. Thank you both very much.

[The prepared statement of Mr. Shasteen appears on p. 99.]

Senator **Rockefeller**. I might just simply address this to each of you. If there has been anything that has been consistent about the VJTA program during this period of time, it has been the very sporadic naure of its funding. It isn't available; it is available. Mostly, it isn't available. Now, that has to have some effect on your ability to administer this program and the effectiveness of the program out there in the States.

Would both of you gentlemen address this problem?

Mr. **Vogel**. Mr. Chairman, that has been a problem. We have a centralized point at which we control the disbursements under that program. It is at our Houston Regional Office. And we spend, unfortunately, a great deal of time in our human resources in monitoring the amount of funds available—stopping, starting, holding, delaying payments to employers that would otherwise be made plus the deobligation of funds, when funds are set aside for a veteran when he interrupts the program, and then they are restored. We have a lot of monitoring, quite frankly; and it has, from the management perspective, been an enormous challenge to us, as well as the fact that it has a built-in disincentive to employers to undertake to participate in the program.

Mr. **Shasteen**. Yes, sir. From a management standpoint, it has been difficult for our people because they have had veterans standing in line and employers standing in line to be matched; and then all of a sudden, the employers and the veterans are told that the funds are not available.

I think what that does, more than anything else, in the long run is that it damages our credibility—our credibility with the States, with DVOPs and LVERs, and certainly with the veterans and the employers that we are trying to match.

Senator **Rockefeller**. It might be worthwhile to define this sporadic funding problem, this deobligation problem. In other words, you have to wait until others drop out in order to get their money back so that you can apply it to a new effort. Is that a fair characterization?

Mr. **Vogel**. Yes, it is, sir.

Senator **Rockefeller**. I would like to say to you, Mr. Shasteen, that we recognize on this committee that you work very hard on a lot of things; and we also appreciate the very positive aspects of your testimony this morning, which are very much appreciated.

Mr. **Shasteen**. Thank you.

Senator **Rockefeller**. Mr. Vogel, on page 6 of your written statement, you state that the VA wishes to cooperate with the Department of Labor in accommodating any referrals from DVOPs to the VA of veterans needing counseling. What resources, in fact, are you in a position to provide for this counseling at the present time?

Mr. **Vogel**. When the Emergency Job Training Act was first enacted and then, later on, when it was extended and the word "emergency" was dropped out, we have absorbed within the Department of Veterans' Benefit resources for that work. No additional funding or staffing was provided. We have some counseling psychologists and vocational rehabilitation specialists in all of our regional offices who work primarily and first, with the service-connected disabled veterans in rehabilitation programs.

Whatever counseling we have been able to provide under this program has been done by stretching the resources we now have in order to accomplish that. We think we have done a fairly good job at that. We have unfortunately entered into periods of time when the early-on employment assistance and other rehabilitation counseling has been so long that my concern is that it becomes less effective.

The veteran is ready to enter into the world of work or reenter that world, and we don't have the resources readily available to assist him in counseling.

Senator ROCKEFELLER. And with respect to that counseling, are not those whom you do have enormously overcommitted in caseload?

Mr. VOGEL. It is scattered throughout the country, Mr. Chairman. We have goals that we set for our field personnel in counseling and rehabilitation, thus we speak of the quality of service and the timeliness of service. We have been unable to meet our timeliness of service for the last few years, very frankly. And Dr. Wyant and the people who manage that program in the central office have done some shifting of resources and provided some additional training, and there is a series of training going on throughout the country, in an attempt to put better management, if you will, into that program; but we have been mightily stretched to get the resources where we need them.

There are instances where, rather than a month, it can take us many months to schedule a service-connected disabled veteran for counseling services. We don't like that, and we are doing what we can to improve our performance there, sir.

Senator ROCKEFELLER. How would you describe, in fact, what happens now? You have an undersupply of counselors and there is sporadic funding. As you look out at veterans across this country, trying to get counseling, trying to get training, trying to get help in finding employment—how would you characterize the situation now?

Mr. VOGEL. I would characterize it as—we have a rather nervous reaction to it. The people at our regional offices—I wouldn't want them to equate the demand for VJTA counseling and other regular GI Bill counseling—and look at that against counseling for service-connected disabled veterans. I want them to take care of the service-connected disabled veterans who are applying for vocational rehabilitation. To the extent that they do that, they leave something else undone. I think the heart of our program speaks to service-connected disability and those special veterans that we are charged with taking care of.

And what they do is they take care of them first, at an unacceptable expense in another area. I think that is a good decision that our managers make; but it does in fact impede our ability to provide counseling to the nonservice-connected disabled veterans.

Senator ROCKEFELLER. All right. Although this will take you some time, what I would like to do is to have you provide a statement for the record, Mr. Vogel, describing the different duties of a VA vocational rehabilitation counselor, and setting forth the numbers of such VA counselors and of counseling sessions, provided each year for the last 10 years.

That is a difficult request for you to fill, but it would be very helpful to us. And then project that out over 1987 and 1988, so we can get some sense of that ratio of what needs to be done and who is available to help them, and also with any notations as to new program responsibilities that might be added.

Mr. VOGEL. Yes, sir. I will be pleased to do so.

[Subsequently, the Veterans' Administration furnished the following information:]

Counseling psychologists in the Vocational and Rehabilitation and Counseling Program in the Department of Veterans Benefits conduct a variety of counseling and evaluation services for veterans and eligible dependents. For disabled veterans seeking assistance under chapter 31, counselors evaluate, with each veteran, the pertinent medical, occupational, and personal histories and determine abilities, interests, and aptitudes in relation to the veteran's employment handicap. Following this is a period of guided vocational exploration in which the veteran learns a variety of information about occupations. The counselor then helps the veteran relate the significance of his pattern of vocational personality, interest areas, ability level, and aptitudes to occupations which seem to be of interest. This process is accomplished through a counseling relationship designed to assist the client in making more effective decisions and generally involves multiple counseling sessions. Administration and interpretation of psychometric instruments including interest inventories, aptitude batteries, ability or skills tests, and vocational personality profiles are a time consuming, but very necessary part of this counseling process. If the veteran is found entitled to a program of services, the counselor, veteran, and the vocational rehabilitation specialist develop a plan of services which will assist the veteran in the achievement of vocational rehabilitation. As the veteran progresses in his/her program and personal adjustment or continuing vocational adjustment/job assistance counseling is required, the counselor works with the veteran to provide this assistance.

Counseling services provided to veterans under other programs, or dependents receiving assistance through the Dependents Education Assistance Program are similar in nature, but generally do not involve the dimensions of disability and rehabilitation. Issues presented for counseling generally involve educational/vocational concerns, and the counseling process is similar, with the exception, generally, of disability factors.

To accomplish the vocational counseling/evaluation functions, the counseling psychologist is required to possess at least a master's degree in counseling psychology, or a master's degree in a closely related field. The counseling/evaluation role of the counseling psychologist, mandated by the current program, is a very intensive activity which requires this level of knowledge.

While the quantity of cases completed by each counselor appears to have decreased over the last 10 years, the requirements of comprehensive evaluations in the vocational rehabilitation program since 1980 are much greater and require significant time to accomplish an acceptable level of quality.

COUNSELING PROVIDED VETERANS AND ELIGIBLE DEPENDENTS 1977 THROUGH 1987—(Projected)

Fiscal year	Total	Program		
		Vocational rehabilitation	Veterans educational assistance	Dependents educational assistance
1977	126,626	39,960	69,090	17,576
1978	130,298	45,242	66,880	18,176
1979	119,840	39,380	62,551	17,909
1980	117,030	41,099	59,207	16,724
1981 [1]	68,231	46,730	15,904	5,597
1982	63,638	48,860	11,204	3,574
1983 [2]	70,429	54,658	13,023	2,748
1984	70,768	42,078	26,684	2,006

COUNSELING PROVIDED VETERANS AND ELIGIBLE DEPENDENTS 1977 THROUGH 1987—(Projected)—Continued

Fiscal year	Total	Program		
		Vocational rehabilitation	Veterans educational assistance	Dependents educational assistance
1985	55,570	40,306	13,471	1,793
1986	48,932	39,415	7,876	1,641
1987	45,580	36,600	7,400	1,580
1988	43,720	35,100	7,100	1,520

[1] In FY 1981, the Chapter 31, Vocational Rehabilitation program was changed for the first time since WWII. In that same year, certain requirements for counseling provided to veterans who had unsatisfactory progress in their programs or who proposed a second change in their programs were removed. Additionally, counseling requirements for education program planning for eligible dependents were removed.

[2] In FY 1983, The Emergency Veterans Job Training Act of 1983 was passed. Job counseling was authorized for applicants of this program.

COUNSELING PSYCHOLOGIST WORKLOAD

Fiscal year	Workload	Avg CP's	Cases/CP
1977	126,626	234	541
1978	130,298	240	542
1979	119,840	244	491
1980	117,030	228	513
1981	68,231	282	242
1982	63,638	263	242
1983	70,429	221	319
1984	70,768	217	326
1985	55,570	215	258
1986	48,932	198	247

Note.—At present, the average number of days between the time a veteran applies for chapter 31 and the date of the first appointment is 93 days. Approximately 21,700 veterans are either waiting for their appointments or are being seen for counseling. Approximately 17,000 of these people are chapter 31 applicants.

Mr. **Vogel**. One other thing, if I might add one thing, Mr. Rockefeller. We have worked with the Department of Labor for years in a rather informal way. I think if there is one thing that this law has done for us it has made both of those agencies much more aware of the resources the other has. I think the partnership arrangement we have achieved has been good for veterans. I think we utilize the resources far better than we ever did before at the Department of Labor, and they are fanned out throughout the Nation and in the local communities. And to some extent, that has taken some of the pressure off us with respect to our resources in administering the program.

We know what they can do, and we call upon them to do that. I am talking about referrals and to get the veteran job ready and that sort of thing, sir.

Mr. **Shasteen**. I wholeheartedly agree with that statement, Mr. Chairman.

Senator **Rockefeller**. All right. Thank you. Mr. Vogel, also, I would like very much to get your written analysis of this Amendment, No. 160; and if possible, I would like to get it by May 6 so that we can have it in time for our markup, which is going to take place on May 14. Would you be willing to do that?

Mr. VOGEL. Yes, I will, sir.

Senator ROCKEFELLER. Very good.

[Subsequently, the Veterans' Administration furnished the following information:]

ANALYSIS OF AMENDMENT 160

Section 9 of S. 999, as amended by proposed amendment No. 160, would make several substantive changes to the VJTA. These include modifying the reimbursement formula for payments to VJTA employers; emphasizing the case management and information and counseling services responsibilities of DOL and VA; authorizing additional program appropriations (for fiscal years 1988 and 1989); and extending for 2 years the deadlines for veterans' applications and entry into training.

For the reasons stated in our formal prepared statement, the Administration does not favor extension of the VJTA. Further, we do not favor the programmatic changes proposed in section 9 as they relate to current VJTA administration.

In regard to the proposal for changing the employer reimbursement formula, we find that the current 50 percent payment system from beginning to end of the program is one which has been working well. It is a simple, straightforward payment system. To the contrary, under this proposal, there would be one set of payment rules for those in a program more than 4 months, and another set for those in a program less than 4 months. Each of these payment rules would, in turn, carry three different rates: 30, 50, and 20 percent, depending on the veteran's stage of employment. We believe it would be confusing to both veterans and employers. Moreover, while it could be done, such a complex payment system would also result in erroneous payments being made, and would unnecessarily add to the administrative and paperwork burdens on employers and the VA. This, in turn, could create a disincentive for employer participaiton.

As to the proposed modifications concerning joint agency responsibilities for case management, information dissemination, and counseling services, we find that they actually are less definitive in allocating such responsibilities than the existing VJTA provisions. Subsection 9(b) of the bill would amend section 14 of the VJTA to provide that the Administrator and the Secretary of Labor are jointly responsible for (1) a program under which a case manager is assigned to each veteran participating in a program of job training under this Act and periodic monthly contact is maintained with each such veteran; (2) a program of counseling services designed to resolve difficulties that may be encountered by veterans during their training under this Act, as well as for those veterans who leave employment while eligible for further certification for training; and (3) a program of information services. We do not interpret the amendments, standing alone, as requiring a change either in the current policies under which the Department of Labor provides case management services or in current policies and procedures under which our counseling psychologists provide comprehensive counseling services for veterans eligible under the VJTA. The intent of this subsection, however, is unclear when read in conjunction with subsecitons 3(c)(2) and 6(b)(3) of the bill.

Subsection 3(c)(2) expands the duties of the Local Veterans Employment Representatives (LVER's) to include provision of counseling services to eligible veterans under the VJTA. Currently, the Department of Labor, after consultation with the VA, is authorized to provide for a program of counseling services designed to resolve difficulties which the veteran may encounter under the Act, and assume other case management responsibilities for VJTA participants. The Department of Labor designates the appropriate staff, who may be LVER's, to carry out these case management responsibilities. The proposed amendment would eliminate the present provision for consultation with the VA with respect to these counseling services and authorize the LVER's to provide them. As earlier noted in our testimony, the arrangements which have been made between the VA and Department of Labor to carry out the VJTA program have heightened both agencies' awareness of the resources of the other. We believe leaving both agencies the flexibility to utilize staff in the manner in which they deem most efficacious is in the best interest of both the veterans and the Government.

Section 6(b)(3) of the bill would amend the current VJTA provisions with respect to the duties of the Disabled Veteran Outreach Program (DVOP) staff. These duties would be expanded to include provision of counseling services to veterans with respect to selection of and changes in vocations and their vocational adjustment. Unlike the provisions of subsection (3)(c)(2), under which LVER's are authorized to provide counseling services to veterans who are eligible for the VJTA, this provision is applicable generally to any veteran requesting assistance. In this case, the amendatory language is considerably more specific, and includes a range of counseling services which current occupational information indicates is provided by professional counselors. We have the same objections to this subsection as to subsection 3(c)(2); i.e., the specificity of mandated responsibility could prove counterproductive to the most effective use of VA and DOL staff.

In addition, it should be noted that neither LVER's nor DVOP's are hired as professional counselors, nor are they expected to have such qualifications in order to be employed. The duties and responsibilities of the positions are more akin to that of employment interviewers than counselors, two separate and distinct entities as described in the Dictionary of Occupational Titles. The skills necessary to assist in a job search are quite different from those required to provide "counseling services," as we understand the term. Thus, the open-ended nature of the provisions relating to counseling by Department of Labor personnel seem inappropriate and, in our view, are unnecessary.

As indicated, while there is room for improvement in the aforementioned areas, and we are endeavoring to make these improvements, we do not believe the proposed amendments are warranted.

Senator ROCKEFELLER. Mr. Shasteen, on page 3 of your written statement, you state that the "priority" status that must be given to veterans by State and local job services is a more significant contributor to the employment of veterans than is the number of LVERs assigned to local offices. However, also on page 3 of your statement, you oppose formal participation of Assistant State Directors of Veterans' Employment in the LVER performance appraisal process even though it is the job of the Assistant State Director under the law to ensure that veterans receive priority service.

Are these statements contradictory?

Mr. SHASTEEN. No, they are not, Mr. Chairman.

Our agency each year negotiates an agreement with the State agency that then has the responsibility for delivering services to veterans on a priority basis as mandated by title 38, regardless of whether the services are provided by the DVOPs or the LVERs or other members of the staff or the agency. In other words, it becomes a responsibility of the State agency. The DVOPs and LVERs are functionally responsible—that is the LVER is functionally responsible—for seeing that those services are delivered in each local office. The LVER and the DVOP nationwide last year actually placed only 41 percent of these veterans who were placed in jobs. The other 59 percent were placed by other employees of the job service.

So, the DVOPs and LVERs are not the only ones responsible for delivering services to veterans. It is the duty of the office manager in each local office and at the State agency to see that those services are delivered. The DVOP or LVER is functionally responsible to our people—our Assistant State Directors and our State Directors—to see that the office does indeed conform.

We evaluate those offices.

Senator ROCKEFELLER. Then, could you tell me with what frequency, if any, do Assistant State Directors or State Directors actually evaluate local employment activities and review the performance of LVERs?

Mr. SHASTEEN. Our State Directors and Assistant State Directors make an annual evaluation of each large office. It actually turns out to be most of the offices. They will make a visit to even many of the small offices, but they are not required to do that. Each large office will be formally evaluated once a year. The period of evaluation may take anywhere from 2 days to a week.

A full report is made to the State agency with corrections that are required to be made, and then a return visit is made several months later to determine whether those corrections have indeed been made. So, you have a formal evaluation; and then a return to that office at least one time to make sure that the corrections have been implemented.

Senator **Rockefeller**. All right. One final question before giving Senator Graham a chance. There is out there a feeling among veterans that these government employees aren't out hustling the job market; in other words, the paper is being processed, but the so-called intensity level—of scouring the market, walking up and down the streets, knocking on the doors, working the networks, trying to find out where there might be opportunities for veterans to work—is insufficient. That so-called intensity factor is not what it should be. Would you disagree with that?

Mr. **Shasteen**. I would say, Mr. Chairman, in some areas—in some parts of the country—the intensity factor is not what it should be. As often as we can identify that, as often as my staff finds out about through our Regional Directors or our State Directors or through visits that we make to the various States or through information gathered at the National Veterans' Training Institute in Denver, as quickly as we find out, we take action to correct the problem.

In all together too many instances, the DVOPs, who are supposed to be outreach people, are spending almost all of their time in the office providing services of one kind or another to veterans. In order to do their job as required by title 38, they have to be out of that office a good portion of the time. As you know, the law requires 25 percent of them be stationed full time out of job service offices. And the others who are attached to or stationed in local offices, in my judgment, must spend at least 50 percent of their time out on the streets, developing jobs, looking for veterans to put in those jobs, helping any veteran who needs job training assistance or employability assistance of any kind to get that assistance.

Senator **Rockefeller**. Is there anything you need in the way of statutory authority to get at that 50 percent or get that intensity factor so that we can be helpful to you?

Mr. **Shasteen**. I would like to reflect on that and get back to the committee, perhaps by providing some language for inclusion in the record. I think that the performance evaluation provisions of S. 999 go a bit too far. They would require our State Directors and Assistant State Directors to actually participate in the initial evaluation—the performance evaluation.

By the same token, I think a provision in law which would require us to work with the States to develop uniform performance standards for LVERs and uniform performance standards for DVOPs be put in place in each State through the process—the negotiation process—we use. I think that could be very helpful. In that way, we would have uniform standards, and our State Directors and Assistant State Directors as part of their review of that office could take a good, hard look as to whether the DVOPs and LVERs were performing up to standard; and if they were not, they could include that as part of the regular evaluation of that office, with corrections required to be made by the States.

Senator **Rockefeller**. Thank you. Senator Graham.

Senator **Graham**. Thank you, Mr. Chairman. Mr. Vogel, in reading your statement and your responses today, would it be fair to summarize your basic position is that you do not believe the Veterans' Administration should be providing specialized counseling, training, and placement services for veterans as distinct from those services being provided through a general agency for the total population?

Mr. **Vogel**. Senator Graham, the Administration position is that we do not favor an extension of the Veterans' Job Training Act. Therefore, the provisions for counseling service, if we do in fact have the Act—if it was extended against the position of the Administration—the counseling that we provide can certainly be enhanced. I think we have learned more about the job preparation for work in the world of counseling arena. I am not sure that I have been fully responsive to your question, as I reflect back on it, sir.

Senator **Graham**. Let me restate the question, please. In summary, my conclusion is that it is the position of the Veterans' Administration that it is inappropriate to have a job counseling, training, and placement program specifically for veterans, as distinct from veterans' accessing similar services that are available to the general population. Is that a correct summary?

Mr. **Vogel**. That is a correct statement. The Department of Labor and others have expertise available to the public at large. We would expect and hope that they would be sensitive to having disabled veterans seek their services.

We believe that our first and primary mission is the service-connected disabled veteran, and we want them. We want to work with them. We want to rehabilitate them and assist them in job training, job placement; but we don't want to reinvent the wheel by having in the Veterans Administration a job training and counseling service which would go beyond or which would duplicate that which is present in other agencies.

We do counseling upon request for regular GI Bill recipients. We require individuals in those programs to obtain counseling if they mean to change their education program for the second or subsequent time so that we can help keep them on track with their eduational and vocational roles. We do provide that, and we do that usually taking care of disabled veterans first with their counseling and training needs.

Senator **Graham**. All right. When was the Veterans' Job Training Act initially authorized?

Mr. **Vogel**. I forget the year.

Mr. **Shasteen**. 1983.

Senator **Graham**. In 1983?

Mr. **Shasteen**. Yes, sir.

Senator **Graham**. What was the Administration's position upon initial authorization?

Mr. **Shasteen**. The Administration did not support the bill initially. It was signed into law by the President in August after Congress passed it. The money was appropriated after that, and it was released on November 30 by OMB. We had been working with the Veterans' Administration very closely to ensure that we could start up rapidly to meet what Congress had determined was an emergency need.

And we did. On December 2, 2 days after the money was released, the first veteran was put on a job in the program.

Senator **GRAHAM**. The President did sign the legislation in 1983?

Mr. **SHASTEEN**. Yes, sir.

Senator **GRAHAM**. When the President signed the legislation what was the position of the Administration—the Veterans' Administration—as to what the problem was in 1983 that justified the President's signing this legislation?

Mr. **VOGEL**. I think the general position, Senator Graham, was that unemployment rates were higher.

Senator **GRAHAM**. Among the veterans?

Mr. **VOGEL**. Among the veterans and among the general population. Since that time, employment rates have improved; the unemployment rate hasn't gotten worse. The unemployment rate for veterans is better than that for the nonveteran.

Senator **GRAHAM**. And that was not true in 1983?

Mr. **SHASTEEN**. That is right. In 1983, Senator, it was running for Vietnam era veterans 1 to 2 percentage points above the general population.

Senator **GRAHAM**. To what degree do you believe the specialized services that have been available through this program have contributed to the moderation of the problem that led to the establishment of the program in 1983?

Mr. **VOGEL**. I think it would be rather difficult to assess. The number of trainees against the number of workers in the United States is comparatively small. The biggest reason was an improvement in the economy. I think the program did, in fact, have some effect. I would be hard pressed to quantify that.

Senator **GRAHAM**. But you stated that prior to 1983, veterans represented a higher level of unemployment than the population in general. Is that correct?

Mr. **VOGEL**. That is right, sir.

Senator **GRAHAM**. And that today, veterans are at a lower rate of unemployment than the population in general?

Mr. **VOGEL**. 35- to 45-year-old veterans had an unemployment rate of 5.5 percent; the general population in the same age group was 6 percent. So, veterans were half a percent better. I am surprised it is not higher. I think veterans have demonstrated early on their responsibility by serving their Nation.

Senator **GRAHAM**. The question is to what degree has this program contributed to the reversal in employment statistics as between the veteran population and the general population? Before you answer that, it seems to me that we had a problem in 1983. There was a solution to that problem, or at least one component of the solution, that was passed by the Congress and signed by the President. And now, 4 years later, the statistics are that we have made some noticeable progress in dealing with the problem.

Now, you are suggesting that we terminate the program. Either that indicates that you do not think this program had any impact on the change in circumstances from 1983 to 1987, and therefore, was a nullity, or that there is some other reason why you believe the circumstance that existed in 1983 is not likely to recur in the absence of this program.

I am trying to find out how you have reached what would appear to be a rejection of a program which seems, on its face, to have been a success.

Mr. **Vogel**. I think the position is that it has been a success; how large a success, I don't know. It first had the word "emergency" in it. It was a sincere emergency. Unemployment rates among veterans were considered unacceptably high; hence the law. They are now better than the population as a whole. I think the program has helped; the effects of cooling inflation; the general economic climate of the country has had far more effect than this bill.

I do think that the bill has been helpful.

Senator **Graham**. Those two factors have specifically benefited veterans as distinct from the general population?

Mr. **Vogel**. They have not. I didn't mean to imply that, but the unemployment rate was higher before. It is less now for veterans.

Senator **Graham**. As I understand it, the issue in 1983 was not just the fact that total unemployment was excessively high, but that the veterans population as a group had a higher level of unemployment than the general population. What are the factors that have occurred since 1983 that have made those things that cause the veteran population to have a higher than average unemployment dissipate?

Mr. **Shasteen**. Senator, I will endeavor to answer that for you. In the early part of 1983, the Vietnam veterans' unemployment rate, which is the only one that is tabulated monthly by the Bureau of Labor Statistics—the total number of Vietnam era veterans unemployed was running between 800,000 and 900,000 each month. That figure, partly with the help of this bill—which has placed some 50,000 veterans in jobs and has resulted in activity that resulted in jobs for veterans but not necessarily under this bill because it gained attention to the veterans' unemployment problem—that figure today is down around 300,000 each month for Vietnam era veterans.

So, the number has come down substantially; and in the process, the type of veteran who is out of work—the type of veteran that we are working with—is more difficult to place, such as the disabled, for example. We have at least a quarter of a million disabled veterans who are out of work today, and two-thirds of those are not only out of work but, through additional intensive survey work that the VA and the Department of Labor did through the Bureau of Labor Statistics, we have determined that two-thirds of those are not only out of work but totally out of the work force.

So, whatever programs we have—whether it be this training program, skilled training we can acquire under the Job Training Partnership Act, the other services and needs such as counseling—we are intensifying our efforts to deliver those services that are needed to bring those veterans to the point where they are job-ready. So, we are able to spend more time with the difficult-to-place now than we were able to do back in 1982 and 1983.

Senator **Graham**. To what degree has that been possible because of the resources made available under this program?

Mr. Shasteen. I have been disappointed in the number of disabled veterans who have been placed in this program. As a result of that, our agency this year—and we will do so again next year—has placed a very high priority, a top priority, for things we do on securing employment for disabled veterans.

Senator Graham. Do you think you will be able to place more disabled veterans without this program?

Mr. Shasteen. No.

Mr. Vogel. I might add something to that, Senator Graham. As we receive a Veterans' Job Training Act application, we screen every one against our computer-assisted records; and if they are service-connected disabled veterans, compensably disabled by service, we give them special attention. We assess them for our own vocational rehabilitation program, which has been ongoing, and in fact we do take them out of VJTA perhaps and put them in a rehabilitation program. And we have been sensitive to that.

We recently sent a letter—or letters—to 50,000 veterans with service-connected disabilities who had applied for VJTA, and our records didn't indicate that they were employed. We encourage them to come in to see us about rehabilitation services. In so doing, we are going to be sending letters to people who have already seen us, I am sure; but we certainly are prepared to aid them and we really want to work with those people especially in the same manner that Mr. Shasteen suggested.

Senator Graham. Mr. Chairman, I have no further questions, but I would comment that in 1983 there was noted a vast difference in unemployment between the veteran population and the general population. Congress and the President came together on a program which Congress passed and the President signed to try to impact that problem.

Four years later, the statistics indicate success; and now, we are proposing to dismantle what seems to have been a factor in accomplishing that success. It seems an odd final chapter to a book that seemed to be moving on a positive course. I appreciate the fact that you are holding these hearings. Maybe we can find out, in some greater detail, why this strange concluding—or what probably is not quite the concluding—chapter is being proposed.

Senator Rockefeller. In order to do that, Senator Graham, I think we would have to get OMB in here and put them under a truth serum, to which they would be thoroughly unaccustomed. [Laughter.]

Senator Rockefeller. But it might be quite revealing.

Chairman Cranston is obviously not only the chairman of the full committee but a long-time fighter on all fronts for veterans affairs. He is not able to stay at great length this morning and was very kind to allow me to chair this hearing on issues about which he and Senator Graham and I and many who are not on this committee care enormously.

Senator Graham and I care, because we were governors and saw what was happening on the block; Senator Cranston cares because he has simply been at this for so long and so effectively. Senator Cranston, I wanted to call on you, sir, for any comments that you might have.

OPENING STATEMENT OF CHAIRMAN CRANSTON

Chairman **Cranston**. Thank you very much, Jay. Thank you for those very kind remarks, and thank you very much for taking the lead in this matter and for chairing this hearing. I am deeply grateful to you for doing that.

I wanted to compliment you, Senator Graham, for your rapid perception of the sort of things that sometimes happen in the veterans' world. Your remarks at the end about your surprise that a very successful program is now proposed for termination is the sort of thing that we come up against quite frequently, not so much in dealing with the VA as in dealing with the Office of Management and Budget.

We have got to pursue those matters together, and I am delighted to know that we will be able to do so.

I wanted to join with Senator Rockefeller in welcoming everyone to this morning's hearing on veterans' employment and education issues. Today's agenda focuses primarily on the veterans' employment, training, and counseling legislation that I introduced on April 21 with Senator Rockefeller, which is also cosponsored by committee members Matsunaga, DeConcini, Thurmond, and Graham.

We are also hearing testimony on an Administration proposed education bill, S. 918. I want to express my deep appreciation again to you, Jay, for not only chairing this hearing but for taking the lead on these issues.

Throughout this year, Senator Rockefeller and I and others have been working together very closely on a number of veterans' employment and education issues. On January 6, the first day of the 100th Congress, together with Senators Murkowski, Matsunaga, DeConcini, Mitchell, Graham, and Cohen, as original cosponsors, Senator Rockefeller and I introduced S. 12, the proposed New GI Bill Continuation Act.

That bipartisan measure now has 46 sponsors. On February 19, I joined with Senator Rockefeller in introducing S. 553 to authorize much needed fiscal year 1987 appropriations for VJTA to make homeless veterans eligible for that program, without regard to the length of unemployment criterion, and to extend the deadlines for veterans' participation. In committee, we revised those provisions to make veterans with service-connected disabilities rated at 30 percent or more also categorically eligible, and then included those provisions in S. 477, the Homeless Veterans Assistance Act of 1987, as reported.

The Senate has now twice passed VJTA provisions like these. Presently, we are directing efforts on two education and employment funds outside this committee: first, S. 12 is pending in the Armed Services Committee and is under consideration this morning. We are pressing for favorable action there, with a view toward Senate passage in the near future. Second, through the fine efforts of Senator DeConcini, who sits on both this committee and the Committee on Appropriations, we are also engaged today in an effort to convince the Appropriations Committee to include in the fiscal year 1987 Supplemental Appropriations Bill, fiscal year 1987 funding for VJTA as authorized in our Senate passed legislation.

As you can see, we have a very busy agenda this year in attempting to ensure that our Nation's veterans have available the readjustment and employment benefits and services they need and fully deserve. The legislation we are considering today is, of course, a major part of this overall effort.

Regarding Amendment No. 160, I also want to acknowledge the help of the veterans' service organizations and others with whom we worked very closely in developing the measure. Their contributions have been invaluable, and we will continue to seek their advice and recommendations.

I also want to join Senator Rockefeller in extending greetings and thanks to our friends from the business community, from the State employment agencies, and of course, from the veterans' service organizations, who are here this morning to testify.

We appreciate their sharing their time, their talent, and their experience with us. I want to pay a special welcome to James N. O'Brien, Director of Human Resources Staffing at McDonnell Douglas Corp., from Long Beach, California. I also want to welcome Vince Rios, who has come all the way across the country from California to testify as a private citizen. Vince has served as State Supervisor of Veterans' Job Training Programs for the State of California for the last 3 years.

I believe the provisions of Amendment No. 160 have much potential to improve veterans' employment and training services through long overdue revisions to chapter 41 of title 38. The end-product of these revisions, we believe, will be a more effective, supportive, and accountable relationship between the Department of Labor's Assistant Secretary for Veterans' Employment and Training and the DVOPs and LVERs in the State employment agencies.

Most importantly, our legislation is designed to enhance the quality and timeliness of employment and training services furnished to veterans. During a period of severe fiscal restraint and exceptionally keen competition for limited Federal resources, it is imperative that the Federal dollars expended for veterans' employment and training services stretch as far as possible.

I believe this is a goal not only of the Assistant Secretary for Veterans' Employment and Training but also of the directors of the State employment service agencies across the country. To this end, we have already consulted with the Interstate Conference of Employment Security Agencies (ICESA) and others and will continue to consult with all appropriate organizations to enhance the implementation of this legislation, should it be enacted.

The ICESA representatives, for example, have been generally favorable in their comments, suggesting some modifications that we are working on with them to develop further. With respect to the Veterans' Job Training Act provisions of Amendment No. 160, I believe that authorizing appropriations of $60 million for VJTA in each of fiscal years 1988 and 1989 is very well founded.

When funding was available prior to January of this year, the program was obligating about $5 million per month. This program has provided over 47,000 veterans with the opportunity to gain the skills and on-the-job experience needed to help them break away from sustained unemployment and build more productive lives for themselves and for their families.

Among the measurable benefits accruing to veterans as a result of their participation in VJTA is increased earning power. The 1985 evaluation report carried out by Centaur Associates, Inc. found that veterans, while participating in VJTA, earned $50 more per week than other eligible veterans who did not participate; and in the year following training, earned about $2,200 more. I think those are very impressive figures.

But we must come to grips with the all too-high noncompletion rate, and I believe our legislation has a very high potential for improving the retention of veterans in VJTA programs. The proposal we have recommended to improve the counseling services available to VJTA participants to change the reimbursement formula for participating employers and to create a case-manager approach all are designed to improve the program performance for unemployed veterans.

Mr. Chairman, Jay, that concludes my statement, and I thank you again for taking the lead on this morning's hearing and for all the great work you are doing for the veterans of West Virginia, the veterans of California, the veterans of Florida, and all veterans in America. Thank you very, very much.

Senator ROCKEFELLER. Thank you, Mr. Chairman, very much. I want to point out that Senator Murkowski has an excellent statement which I am going to introduce into the record at this point.

[The prepared statement of Senator Murkowski appears on p. 85.]

Senator ROCKEFELLER. I have a couple of questions which I want to get on the record, Mr. Shasteen, from you. I want to ask them, therefore, so that you will answer them.

Would you not agree that our proposed funding under S. 999—and even though you don't necessarily endorse it—would in fact promote stability in this whole question of resources that are available for employment and training services?

Mr. SHASTEEN. Yes, it would.

Senator ROCKEFELLER. All right. Now, would not such staffing stability therefore allow the Veterans' Employment and Training Service to plan more prudently and, in fact, to manage more effectively?

Mr. SHASTEEN. Mr. Chairman, stability always makes management easier than instability. When there are cutbacks in funding, cutbacks in numbers of positions, we have the flexibility in the law today to deal with those problems. It becomes more difficult, but we have been able to do it.

What has happened in the past 2 or 3 years is that the administration budget has been some $8 million below the formula provided by regulation; and the Congress has reinstated the funds. So, our instructions to the States, when they are making plans for the next fiscal year, are to prepare to reduce a certain number of positions in each State. And then, when the funding is reinstated, the funding is put in the Appropriations bill for the full formula, those positions come back again. So, the States are jerked back and forth more than we are. It is more of a management problem for them than it is for us; but yes, indeed, this bill would stabilize what has been a more difficult situation to deal with in the past.

Senator ROCKEFELLER. I can appreciate that.

Mr. **Shasteen**. It would also go considerably beyond in cost because of the additional LVER positions that would be created by this.

Senator **Rockefeller**. On page 2 of your statement, you state that it would be difficult, if not impossible, to accurately count the number of veterans residing in a local office service area since these areas do not conform to something called "census boundaries." If you can't count the number of veterans residing in an area now, how could you have counted them in 1985 when the number of LVER appointments was based upon both applicant load and veterans' population criteria, which is exactly what we are proposing to put into place statutorily?

Mr. **Shasteen**. As a matter of fact, Mr. Chairman, we really didn't count them in 1985. The reason that that provision was dropped from the regulations was that nobody really was paying attention to it because there was not an accurate available way to count the number of veterans residing within the geographical jurisdiction of each local job service office. We could tell by the number of veterans in a State how many positions should be allocated to that State; but at that time, the regulation gave us the alternative of taking either 1,000 or more new or renewal applicants as the basis or 5,000. It was an "and/or" proposition instead of taking the high number. This bill would require us to take the larger number of LVERs, whether it was by applicants or by veteran population residing within a State.

Senator **Rockefeller**. All right. Final question for both you and Mr. Vogel. With respect to the case-manager approach proposed in Amendment No. 160, which is a means to try to track and assist veterans who are participating in the VJTA training program, what would both of your thoughts be on providing authority to in fact waive that case-manager approach for employers who have very high completion rates with the VJTA trainees?

Mr. **Vogel**. I think that would be a prudent thing to do because, while the case-manager approach certainly has an interest to us, I don't know if, in the world of reality, we are ever going to have the staffing to do that. And if we were given the discretion to decide that a large or small employer had a very high success rate with his veterans in completing the training program, we would rather not put our resources toward monitoring or assisting those individual veteran trainees and, rather, devote them to those where the nature of the employment, the nature of the training program, has a high dropout rate and we might have some impact.

But I just wonder how we would ever accomplish that across the board and discharge our responsibilities under vocational rehabilitation for service-disabled veterans. I think it would have to fall to a lower priority. In that, I think that would be appropriate, sir.

Senator **Rockefeller**. Senator Graham?

Senator **Graham**. Mr. Chairman, I would just like to pursue that last line of questioning a little further.

I assume that your training services are provided through contracts with training institutions which might be public or private. Is that correct?

Mr. **Shasteen**. The services that our agency provides operate through the employment service, and we contract with each State employment security agency to carry out those services.

Senator **Graham**. So, you don't contract directly with training institutions, but rather through the State employment services and they, in turn, with training institutions?

Mr. **Shasteen**. Yes, sir, except for title IV(c) of the Job Training Partnership Act, which provides about $10 million per year to our agency for actual skilled training or to help veterans access training that is already available.

So, we don't try to reinvent the wheel with this relatively small amount of money. We do, indeed, contract with some private organizations—community-based organizations—either directly or sometimes indirectly. They will be the service providers, the deliverers of service, under a contract with a State agency that is using our funding under title IV(c).

Senator **Graham**. In a number of the vocational training programs now, the method of reimbursement has gone to a performance base, that is the provider of the training service has to demonstrate a certain level of effective placement as a condition of being paid for the training that was provided. Is that a provision that you use as a typical matter in some cases?

Mr. **Shasteen**. As a rule, we do use it. Yes, sir. It contractually tells the person we are doing business with—the company or the State agency—that this is what we expect to receive, at least the minimum that we expect to receive for the money that we are buying the service with.

Senator **Graham**. So, in these instances which were cited in the Centaur evaluation, where there had been a low level of placement, could we assume that in most of those cases then the training institution did not receive compensation, since their training did not result in an acceptable level of placement?

Mr. **Shasteen**. No. The Veterans' Job Training Program, Senator, is different from the title IV(c) projects I was talking about under the Job Training Partnership Act. It is strictly on-the-job training, and the goal is placement in a permanent job. So, the employer is required by law to certify that a permanent job will result if an individual completes his training program.

It is hard to enforce that—if the company goes out of business and did not anticipate doing so when the trainee was hired. There is not much you can do about it except help the trainee get another job. That is why, in answer to a question that you had asked both of us to respond to——

Senator **Rockefeller**. And didn't give you a chance to answer.

Mr. **Shasteen**. I just wanted to say that I agree with John, but with one caveat; and that is that I want our DVOPs and our LVERs to follow up with every employer because if you place a veteran in the Emergency Job Training Program—or now the Veterans' Job Training Program—if you place a veteran with an employer under that program, I would hope that people doing the placing would follow up and try to place more people—not necessarily in this program, but just to get jobs for veterans. Establish a working relationship.

So, I would hope that through this program, when we have spent some of the Federal Government's tax dollars to open a door, I would hope that our people—and we are training them in Denver to do this—to follow up, if not for case management reasons, just for good business reasons to try to place more veterans. So, that would be the caveat that I would add to what John has said.

I really feel that we have enough people out there to do this. If they do their jobs as required and as intended by title 38, they can't do it by sitting in the office and making a few phone calls. They have to go out and market their product, and their product, in my judgment, is the best product going. It is the veteran, the person who served this country in time of need and who not only is entitled to have first shot—as far as I am concerned—at all those jobs that are available out there, but also by reason of his or her experience as a veteran. He brings an extra depth, if you will, or extra capabilities to the job.

Senator **ROCKEFELLER**. Gentlemen, I really do appreciate all four of you taking the time to come here today. There is great value to live testimony. I haven't chaired hearings before, but there is a qualitative difference between what you get when you ask the question directly and what you might get if you submit the question in written form—and who knows who has to review it? And I appreciate the fact that you have both been candid and that you both have taken time to be with us. Thank you very much.

Mr. **VOGEL**. Thank you, sir.

Mr. **SHASTEEN**. Thank you, Senator.

Senator **ROCKEFELLER**. The next panel consists of employers. Jerry Fink, whom I will talk about in a moment, is the Manager of the Raleigh County Memorial Airport in Beckley, West Virginia; Augustin Hernandez, President of the Hernandez Electric Company of Phoenix, Arizona; James O'Brien, Director of Human Resources Staffing of McDonnell Douglas Corp. in Long Beach California, who is accompanied by Mary Fichter, Senior Vice President for Corporate Development, Management Insights, Inc. in Dallas, Texas; and Ronald Sager, Manager of Town and Country Electric, Inc., Appleton, Wisconsin.

I might just say a word about Jerry. I am prejudiced since he is from West Virginia. Jerry Fink had three tours in Vietnam. He is good and generous to come here to Washington. He has an enormously strong commitment to veterans. As I indicated, he manages the Raleigh County Airport; and he and I are worrying now about another battle, that is trying to keep the Central Air Service helping that airport. He has employed three veterans under the VJTA Program, and he is going to be telling us his story and some of his experiences. I would appreciate it, Jerry, if you would lead off.

STATEMENT OF JERRY FINK, MANAGER, RALEIGH COUNTY MEMORIAL AIRPORT, BECKLEY, WV

Mr. **FINK**. Thank you, sir, for the very kind comments. I am honored to appear before your committee this morning.

I am a retired warrant officer, a former infantry and special forces noncommissioned officer. I have been retired from the military since 1978. I have been involved with veterans as an employer in various type programs since 1979, and I think the intent of the various programs and this Veterans' Job Training Act is very good. However, the problems that I have experienced seem to crop up after the veteran reaches me, and I have agreed to take him on as an employee.

And I feel that a lot of these problems should be identified before they ever reach the employer, and I think they could be identified with the proper counseling, starting immediately upon getting out of the military, for example.

I think that is the time that the problem should start receiving attention by the proper counselors. One of the procedures—and I am speaking as an employer primarily of my face-to-face with the veterans that have come to me for employment—is that they are required to sign a statement or something to that effect when they are getting out of the military and again at the job services to the effect of are they under stress or do they need any help. Most of the veterans that I have talked to are sort of reluctant to sign that for a couple of reasons. From what I get from them, it is what other people will think, No. 1; No. 2 is the fear that they may not be able to gain employment if they come right out and say, yes, I have a problem.

I think the counseling—and I don't know if I have the terminology of all of this counseling and everything in accordance with this bill—but the counseling I am speaking of, I feel, should be by qualified counselors, psychologists, and so on who are military-related or have prior military experience so that the veteran with the problem can relate to the counselor. There have been a lot of comments from my employees that even if they get to a point to where they do receive counseling, they cannot relate to the civilian counselor because he has no knowledge of his experiences in the military.

And I do support S. 999 for the reauthorization of the Veterans' Job Training Act. I feel that it is very important that we keep this program going for the benefit of all veterans. Again, I am honored to be here, sir; and if I can answer any questions, I will be happy to do so at this time.

Senator ROCKEFELLER. We will ask you some, Jerry, but I would like to go right on through the panel. Mr. Hernandez?

STATEMENT OF AUGUSTIN HERNANDEZ, PRESIDENT, HERNANDEZ ELECTRIC CO., PHOENIX, AZ

Mr. HERNANDEZ. Mr. Chairman, it is a privilege to appear before this committee to comment on the Veterans' Training and Employment. I shall summarize my remarks as requested earlier and request that the full written statement be included in the record.

Senator ROCKEFELLER. It will be done.

Mr. HERNANDEZ. As an electrical contractor, I am involved on a daily basis with the employment of skilled and unskilled workers and their training. It is from this perspective that I make my remarks. I have employed 11 veterans under the Veterans' Job Training Act and currently have four working, all of whom have been promoted to and are in leading positions.

In addition, several veterans have been able to gain higher paying jobs within the industry as a result of the VJTA training with my company.

My observation of perspective veteran employees has led me to conclude that veterans do indeed have special problems and needs. These conditions are in many cases the result of military service. This is particularly true of the disabled veterans. I know this committee has recognized these barriers and has worked to reduce them.

The bill before you is yet another means for helping veterans overcome their adversities. My testimony will focus on two distinct aspects of veteran employment and training.

First, the need to continue and improve the VJT program and second, the improvement of the support structures of the VJT. Essential to any business venture is the need for operating capital. VJT has run short of money; this has caused delays of payment and a slowdown in recruiting veterans into the VJT. This in turn has led to resistance on the part of employers to use the VJT.

With the $30 million in the basic bill, the first remedial step has been taken. The amendment of additional funding, as offered by my Senator, Mr. DeConcini, and cosponsored by you, Mr. Cranston, and Mr. Matsunaga, will add considerably to the assurance business people need to buy back into the program.

In order to improve the success rate of veterans completing training and remaining on the job, communications between the employer and the veterans must be enhanced. Both the veteran and the employer must be aware of each other's needs. All too often, minor misunderstandings erupt into dismissal of an employee or an employee leaving.

Both situations might possibly have been averted by the two parties talking to each other. In the bill, job counseling and case management are key points. I would suggest they are critical points. Job counseling must be twofold. It must occur before employment and, more importantly, during post employment, a followup. The veteran's representative needs to know more than cursory information about the veteran and employer in order to conduct in-depth discussions.

The case management system makes this possible. Then, if the veteran's representative makes periodic follow-up visits to employers, unnecessary dismissal or leavings will be prevented.

The LVER and DVOP must have the training to recognize the various situations and to have the skills to mediate between the participants. I strongly support the training of veterans to act in these interpersonal relations that enable them to be both good monitors and mediators.

The second aspect I want to emphasize is the improvement of the support structures for the VJT program. In addition to training, I endorse the change requiring the LVER to be a veteran. In many areas, especially in small communities, the LVER is considered to be the veteran's advocate on a host of issues including employment and training.

In these locales, the strongest supporters for veterans are their veteran service organizations. While nonveterans may be allowed access to the organizations, they are not readily or completely accepted, whereas the veteran is easily accepted.

I support the additional LVER position for metropolitan areas as long as the smaller and rural offices are not adversely impacted. We need to make sure that, if a reduction in the veteran staffing becomes necessary, the smaller or rural offices would not be eliminated at the expense of the larger metropolitan staffs.

When I left the service, I would have used the program myself if it had been available. I did use the GI Bill to further my education, but this meant I was delayed in gaining my goal—that of working as an electrical contractor.

In conclusion, I thank you again, Mr. Chairman, not only for this opportunity to address you, but to commend you on your leadership in the establishment and continuation of the VJT Program and for the total support you and Mr. DeConcini and the rest have given to all veterans' programs.

Thank you.

Senator Rockefeller. Thank you, sir. Mr. O'Brien?

[The prepared statement of Mr. Hernandez appears on p. 105.]

STATEMENT OF JAMES N. O'BRIEN, DIRECTOR, HUMAN RESOURCES STAFFING, McDONNELL DOUGLAS CORP., LONG BEACH, CA, ACCOMPANIED BY MARY FICHTER, SENIOR VICE PRESIDENT, CORPORATE DEVELOPMENT, MANAGEMENT INSIGHTS, INC., DALLAS, TX

Mr. O'Brien. Thank you. Mr. Chairman, McDonnell Douglas thanks the entire Committee on Veterans' Affairs for giving us the opportunity to present our views on S. 999 and proposed legislation to authorize fiscal years 1988 and 1989 appropriations for the Veterans' Job Training Act. Because of time restraints, I will summarize my testimony, but I ask that my entire statement be included in the permanent record.

Senator Rockefeller. It will be done.

Mr. O'Brien. Mr. Chairman, Senators Alan Cranston and Alan Simpson, as coauthors of the original VJTA legislation, deserve credit for defining a much needed veterans program that truly works. We would like to share with you our own experience with this outstanding program, created through VJTA for long-term jobless Vietnam-era and Korean-conflict veterans.

Before we do so, McDonnell Douglas would like to reaffirm to this committee our strongest support for VJTA. We believe that VJTA is a model program and that other Government agencies could learn much from VJTA. The program provides worthwhile financial incentives to employers for training and employing a well-defined and especially deserving group of Americans and does this without imposing any arbitrary red tape or administrative procedures on the employer.

McDonnell Douglas first became actively involved with VJTA in 1985 when the company made a corporate-wide commitment to the VJTA Program. McDonnell Douglas has always supported the priority hiring of veterans. After reviewing the VJTA legislation, we decided that this would further enhance employment and training opportunities for veterans, especially those from the Vietnam era.

Here is a real life example of how this program has been very successful, both for McDonnell Douglas and for our veteran trainees who have learned new skills. A veteran, who we will call Jim, was referred by a veteran's representative at the California Employment Development Department to McDonnell Douglas' Long Beach plant on October 15, 1986. Jim had been unemployed for almost 2 years. His previous job experience had been mainly as a security guard making less than $6 per hour.

Jim presented his VJTA certificate of eligibility to the McDonnell Douglas interviewer and was hired on November 10, 1986 as an aircraft assembler making $9.01 an hour. After 1 month, his training supervisor decided that his progress in training was not satisfactory.

Fortunately for Jim, his supervisor, following McDonnell Douglas policy, reviewed his background to determine if he could be placed in another VJTA approved position. Within 3 days, he was placed in a new position as a material coordinator. Jim is still performing well in that position; thus, the VJTA Program worked twice for Jim.

Veterans such as Jim are normally hired into one of over 100 VJTA approved positions. These positions are mainly hourly positions such as aircraft assembler, electrical assembler, and security officer. The starting wage for these positions ranges from $6.82 per hour to $14.63 per hour with an average starting wage of $9.04 an hour.

Last year, the Veterans' Administration recognized McDonnell Douglas' efforts in hiring 215 veterans to VJTA. Our records now show that 296 veterans have participated in the program. S. 999 will help to strengthen an already outstanding support system for veterans' job counseling, training and placement.

McDonnell Douglas would like to personally express its gratitude to the many veterans' employment representatives and disabled veterans' outreach program specialists whose hard work and dedication have helped make our own program so successful. McDonnell Douglas strongly supports virtually all of the provisions of S. 999.

We are, however, concerned that the proposed change in the payment schedule from 50 percent of trainee wages to a staggered payment scheme that delays payment beyond program completion. A change to the proposed 30/50/20 percent payment system would add to reporting requirements and complicate the invoicing process.

Moreover, this change would reduce payments to even the most successful employers in the program since there will always be some noncompletion. As a result, we believe that this change would actually reduce the financial incentive to participating in the program and work against the veterans most in need of the training and employment, that is, those with the greatest disabilities and the most time out of work and therefore the most likely not to complete training.

It should also be noted that all veterans in the program receive some work in training and break the cycle of unemployment. Probably an even more direct approach to increasing training completion can come through controls already wisely built into VJTA.

Prior to hiring and training eligible veterans, an employer must first develop a description of its training program and receive formal approval from the Veterans' Administration.

This process makes it possible for the VA to screen out any training programs or employers that do not benefit veterans. We are also concerned about the proposed assignment of a case manager to each veteran and the requirement that they become responsible for helping the veteran resolve any problems encountered in training.

Although we support the intent of the legislation, we are not at all clear about how it would be implemented. We believe that the employer and trainee need to be the focal point of any counseling regarding on-the-job training, and performance on the job, without unnecessary intervention by third parties.

We would have difficulty in convincing our managers and supervisors otherwise.

Mr. Chairman, the proposed legislation authorizing fiscal years 1988 and 1989 appropriations for VJTA is vital to the continued success of the program. To conclude, McDonnell Douglas expects to have thousands of full-time openings during the next year, many of which can be filled by long-term jobless Vietnam-era veterans in VJTA approved positions.

If the program is extended, we will continue our policy of priority hiring of VJTA to eligible individuals who meet the qualifications for these positions. Thank you.

Senator ROCKEFELLER. That is an interesting and useful statement. Thank you. Mr. Sager?

[The prepared statement of Mr. O'Brien appears on p. 109.]

STATEMENT OF RONALD L. SAGER, MANAGER, HUMAN RESOURCES, TOWN AND COUNTRY ELECTRIC, INC., APPLETON, WI

Mr. SAGER. Thank you, Mr. Chairman. It is a privilege for me to appear before your distinguished committee and present my views concerning S. 999. I would like to briefly summarize my statement and wish that my written testimony appear in the record.

My name is Ronald Sager and I am Manager for Human Resources for Town and Country Electric. Prior to my position with Town and Country Electric, I was for 5½ years a disabled veteran outreach specialist, a DVOP, in the Wisconsin job service.

I worked developing job training sites for many eligible veterans. As a disabled veteran, I can relate to the problems and concerns the veterans and their families have encountered relative to securing gainful employment.

During my time in the DVOP program, I counseled many veterans in employment. Corollary to this, I became involved in support-type organizations such as the Veterans' Administration, the Department of Veteran Affairs in Wisconsin, and the Disabled American Veterans. In 1983, I received the National Commander's Award as the DVOP in the United States. Being our resources manager for the past 3 years, I feel I have a more complete perspective relative to the employment problems of veterans.

I also feel a great deal of urgency relating to the pending legislation of S. 999 and its amendment. I would at this time like to briefly discuss from an actual case history relating to one of our own veteran employees who was on the VJT program.

We hired this veteran in September of 1985. This veteran was very eager to work for our company and as an electrical assistant with the knowledge of going on for a 4-year training program through the vocational school to become a licensed journeyman electrician. His work during the next 4 months was very good; however, shortly into the 1986 new year, his performance, work habits, and attitude—as reported by his supervisor—had changed significantly in a negative sense.

After a certain amount of individual employer/employee talks, his behavior did not change. I confronted him again with this problem, and that is when he broke down and related to me his problems relating to the job, his psychological trauma relating to adjustment, and his family problems.

I referred this veteran to a private psychologist approved by the VA, and Town and Country Electric kept this veteran's insurance in force and contributed moneys for his personal treatment. We then, after a few weeks, referred this veteran—when it was evident he could no longer work in our trade—to the Wisconsin Department of Vocational Rehabilitation, since he was not eligible for chapter 31 benefits under current VA regulations.

We understand, based on the case history that I just briefly outlined, that as far as a veteran is concerned there are frequently needs that supercede the need for a job.

Therefore, I strongly urge passage of S. 999 and its amendment to provide the very critical element of support and followup of the veteran trainee so that these individuals realize long-term gainful employment opportunities.

In conclusion, Mr. Chairman, I would like to emphasize that, as a person who has placed veterans into VJT programs, as an employer who has hired veterans under the VJT programs, and as a disabled veteran who has been through the VA vocational rehabilitation, I cannot reiterate strongly enough the necessary relationship between career counseling, psychological counseling, training, and the followup support services for all VJT participants.

This would address the problems of early noncompletion of the VJTs and provide ongoing support such as the career counseling, the psychological counseling, and the case manager to continue or ensure the success of the training program. In essence, this would promote what the VJT program was originally set up to do by the previous legislation.

Mr. Chairman, I would also like to address the issue of accountability for this program. Although functional supervision should remain with the job service office, overall performance standards should be monitored by an aggressive and committee State Director of Veterans' Employment and Training. This individual should be answerable to the Office of the Assistant Secretary for Veterans' Employment and Training.

This should not be a numbers game of just throwing dollars in veterans' employment benefits, but rather a concerted effort to implement both the training program and a reasonable support program. Additionally, I would like to recommend that the amendment to allocate the appropriations of $60 million above the $30 million for each of the fiscal years 1988 and 1989 be approved.

Thank you, Mr. Chairman and distinguished members of this committee for allowing me this opportunity to express my convictions relating to S. 999 and its amendments.

Senator **ROCKEFELLER**. Thanks, Mr. Sager. Ms. Fichter, I know that you are accompanying Mr. O'Brien, but I was wondering if you had any comments that you would like to make for the record? If you want to say something, you are most welcome to. I didn't mean to bypass you.

[The prepared statement of Mr. Sager appears on p. 114.]

Ms. **FICHTER**. Thank you. I don't have a prepared statement, but I have a couple of points that we did want to make. We have been very involved in getting McDonnell Douglas involved in the program and getting an administration set up that would work for them.

And based on our real life experience with the program, we have a couple of concerns about the changes in the proposed legislation. It is clear to me that this committee is committed to the welfare of the veteran and the support of the VJTA Program with all good intentions.

However, some of the changes that are being made will actually create pitfalls in what has been a successful program. Specifically, the change in employer reimbursements to 30/50/20, you made a comment that some things can lessen the intensity factor; the 30/50/20 will lessen the intensity factor for the employer, and in their willingness to participate in the program.

One of the things that has been attractive about the Veterans' Job Training Program is that, although it does have quite a bit of paperwork involved in it, it is relatively simple. In creating a case manager for the program, basically you are putting one more step involved between the employer and the employee, which we see as an encumberance.

And we feel again that the focus should really be on the employer and on the employee in terms of counseling. So, we would like to see the program maintained in the current state in terms of paperwork and reimbursements, and we don't feel that creating more red tape is going to be an enhancement to the program but, from our experience in working with literally hundreds and hundreds of employers around the country, we feel it would be a real encumberance to companies becoming involved with it in the future, as well as McDonnell Douglas.

Senator **ROCKEFELLER**. All right. Fair enough. We tried to do that as an incentive, and you are saying that it is a disincentive?

Ms. **FICHTER**. Yes. That is how we see it very clearly.

Senator **ROCKEFELLER**. And you said the same thing, did you not?

Mr. **SAGER**. No, I did not.

Senator **ROCKEFELLER**. Oh, Mr. O'Brien, you said the same thing?

Mr. **O'BRIEN**. Yes.

Senator **ROCKEFELLER**. Do any other of you share that view?

Mr. **HERNANDEZ**. Mr. Chairman, yes. I totally agree with Mary on that point. Right now, we are having trouble bringing people on board to use the VJT Program, and this I see is a way that is going to make it even harder to bring employers on.

Ms. **Fichter**. One of the things that we see as an optimal is to have more emphasis on that setup period where you are approving the veterans that are going to be involved in the program and when you approve the employer program. There maybe should be more specific guidelines.

McDonnell Douglas' program has worked very effectively because of the way that it was originally set up, with the controls and checks and balances and so forth. In the example that we gave about the individual who was failing at the position he was originally put in, because of McDonnell Douglas' set of procedures, they went ahead and took the individual, counseled him, and then put him in another position.

So, if the program is set up effectively in the beginning, you are not going to have those problems. And it was very clear to me that what the first panel was saying was that they are really not going to have the people to help us administer it afterward, anyway.

So, the initial setup really becomes the critical phase; leave the red tape and the paperwork out of it and keep the incentive for the employer.

Senator **Rockefeller**. So, you all seem to have had very good experiences.

However, there are a lot of folks dropping out of the training program, and that is what this committee is trying to address. Can we adjust the proposed incentive so that it encourages those who need it and doesn't hinder all employers? I think the points you raise are interesting and important.

Jerry, you were a Green Beret, weren't you?

Mr. **Fink**. Yes, sir.

Senator **Rockefeller**. You have had a couple of experiences with VJTA. I think one has been very successful; one has not been quite as successful. And you also expressed a need for counseling. Now, Beckley, West Virginia is not the largest city in the world, but it is one of the larger ones in our State. What kinds of things would you think ought to be done with respect to counseling and trying to make it so that you, as an employer, have a better experience?

Mr. **Fink**. Mr. Chairman, as I said before, I think the counseling should be by people who are related and know the problems of the military veteran, No. 1.

Senator **Rockefeller**. Now, let me interrupt you there. McDonnell Douglas was saying we should keep the counseling between the employer and the employee.

Mr. **Fink**. Right, sir. I am saying that the veteran's problem should be identified because there are problems, and they should be identified before the veteran ever reaches his place of employment.

Ms. **Fichter**. That is what we are saying also.

Senator **Rockefeller**. All right.

Mr. **Sager**. Mr. Chairman, to follow that up, if I might interject something? I received a letter from the Veterans Center in Madison, Wisconsin, and I would just like to share one of the parts that addresses this question.

A counselor/therapist working with hundreds of veterans out there said this: "Once on the job, the vet will need support and assistance, just as he or she did in obtaining the training and the actual placement. This support is to help him adjust to the new demands placed upon them to assure that they are implementing effective coping skills, that the old bugaboos such as chemical usage or abusage are addressed, and that other concerns such as family issues are not neglected."

I think that is very important to consider in the case like this—how am I to interpret that? Was the legislation intended as part of that as a case worker?

Senator ROCKEFELLER. I believe that what you are suggesting is in the new bill.

Mr. SAGER. That is why I favor that. Maybe larger companies can afford to have a counselor or an EAP program in effect, but the smaller companies certainly cannot in the rural areas, especially the ones that are denied the services from the Veterans' Administration relating to this.

Ms. FICHTER. We would like to see someone available. We just don't want to have restrictions and have it be mandatory that there be a case worker that has to intervene in the process. I think certainly having a case manager or a case worker available to the veteran is very important and having that kind of counseling service available is really important, but not to have it as a mandatory step and intervention in a program.

Senator ROCKEFELLER. All right. Are there any other comments that any of you would like to make with respect to this? Ideas for improvement? Thoughts that you might have which would be helpful to us?

Mr. O'BRIEN. I would like to say, Mr. Chairman, that the success at McDonnell Douglas has been very simple. It is a commitment, a dedication, an effective process, and in your words, hustle. That is what it takes—hustle. And we have a good relationship with the Veterans Administration, with the State Employment Service, and with our own recruiting staff. We recognize and identify every one of these eligible employees, and we go the extra step. We give them the priority, and that is all it takes.

Senator ROCKEFELLER. Mr. Hernandez and Mr. Sager, with respect to your cases—as well as yours, Jerry—were these contacts initiated by you or were you encouraged to participate by the folks at the State and Federal levels?

Mr. HERNANDEZ. In my case, it was initiated by my office. My office manager is a retired senior master sergeant and he was aware of some of the programs and he also had worked in some business management centers. So, we went and looked for this because we use anything that is available to enhance our business, and this is one of the great opportunities that we have taken.

I just want to follow up a little bit on that in that I, too, believe that counseling is one of the most important things that this program needs. As electrical contractors, we have a lot of transient labor that comes through, and this is still the same, be it a veteran or just a regular person off the street. And this will tie in directly with the payment plan, too.

Our ratio right now is like 60/40; 60 leave and we retain 40. And this isn't because of the training we are offering; it is because maybe the counseling wasn't adequate to begin with and other opportunities arise, and people leave for other reasons. I think our training is very good. All four of the people who are still with me are in lead positions; you know, one is running 20 other employees and one is in charge of my service department with tooling and material handling.

So, the training is there, but I think that the counseling is the part that we really need to stress.

Senator **Rockefeller**. I think it is clear, too, that you are all superb employers and you care very much about this and that comes through. And I wish that that were true everywhere. Thank you all very much for your testimony.

I might say, too, that Senator Murkowski's cooperation on the short-term extension of the VJTA was obviously crucial as he is the ranking member, and we appreciate that very, very much.

The next panel consists of Dave Bush, who is the State Director of Veterans' Employment and Training Service for the State of West Virginia, and he is accompanied by Dan Richardson, Disabled Veterans' Outreach Program Specialist; Robert David, who is the Executive Director, Employment Security Commission of South Carolina, accompanied by Fred Kulebert; and Vince Rios, who is the former State Supervisor of Veterans' Job Training Programs, State of California.

Let me say also with respect to Dave Bush, who has been here before—which I appreciate very much—that he is a very good friend of mine. He is a true leader, at least in my judgment, in this field. He has a highly successful program in West Virginia and knows what it is to promote these kinds of employment programs in a State where there are not many jobs.

Dave knows that it was in parts of 1982 and 1983 in West Virginia when we were caught in a recession that was staggering. Unemployment on an overall basis went to 21 percent during parts of each of those 2 years.

So, this State Director knows there are different ways to answer questions of how you help veterans in economies where there are opportunities and how you help them where opportunities are hard to come by.

Dan Richardson is the DVOP in Raleigh County. He works a three county area. He is a distinguished Vietnam veteran, is obviously truly committed, and is a model DVOP, at least as far as this Senator is concerned.

Now, Dave, I am not sure that you have testimony. If you want to say anything, you are welcome to. Do you have some comments you would like to make?

STATEMENT OF DAVID L. BUSH, STATE DIRECTOR, VETERANS' EMPLOYMENT AND TRAINING SERVICE, STATE OF WEST VIRGINIA, U.S. DEPARTMENT OF LABOR, ACCOMPANIED BY DANIEL RICHARDSON, DISABLED VETERANS' OUTREACH PROGRAM SPECIALIST

Mr. **Bush**. I don't have a prepared statement, but I will be available to answer questions about how to operate such a program.

The one observation I would make relates to the VJTA Program in West Virginia. Institutional type training and other types of training under JTPA cannot compete with VJTA.

Part of the problem is that the veteran is a more maturer individual. He is reluctant to go back into the institutional environment and has the immediate concern of providing an income for his family. Placement in on-the-job training is much more attractive to him than institutional training.

We have had some difficulty in the State in getting a proportionate number of veterans into institutional training. There are a number of reasons for that, including the fact that a veteran who is working at reduced income in a part-time job or underemployed type job is not willing to give up the income he has at that time to go into the institutional training, even though he may acquire skills which might result in a better job down the road.

That is why the VJTA Program has been so successful in our State.

Senator **Rockefeller**. Thanks, Dave. Dr. David.

STATEMENT OF DR. ROBERT E. DAVID, EXECUTIVE DIRECTOR, SOUTH CAROLINA EMPLOYMENT SECURITY COMMISSION, ACCOMPANIED BY FRED KULEBERT, RETIRED LOCAL VETERANS' ~~EMPLOYMENT~~ REPRESENTATIVE, CHARLESTON, SC

Dr. **David**. Mr. Chairman, I have submitted a statement, and I would like that it be included in the testimony. I have a short summary that I would like to give.

Senator **Rockefeller**. It will be done, and I appreciate that.

Dr. **David**. I do appreciate the opportunity to testify before you today. Of all the programs and benefits that may be available to our veterans, employment assistance is possibly the most overlooked and underrated.

This bill recognizes how important it is to guarantee veterans access to uniform employment services every place in our Nation. Your commitment to improving our system for delivery services is deeply appreciated. First, of all, I fully support this proposal's intent to ensure that there is an adequate number of LVERs and DVOPs to get the job done.

You are correct, I believe, in choosing a formula which takes into account several factors in determining actual positions. Most veterans when they retire pursue second careers and need counseling perhaps and job finding assistance. Therefore, the number of veterans residing in a given area is a valid measure. At the same time, the number of veterans registering with the employment service also is a valid indicator of how many individuals are seeking service. Neither factor alone tells the whole story, but taken together they do provide a fairly accurate picture.

The best feature in the proposal, however, is the guarantee that adequate staff will be provided with some degree of stability. That, Mr. Chairman, is a problem that has afflicted the entire employment security system in recent years: budgets being yo-yoed up and down without regard to workloads or needs or professional people who have given their lives to this work.

If this bill can bring stability to the staffing of the employment service for veterans' programs, then you will have done the veterans, the system, and the Nation a very great service. I would like to support the establishment of a National Veterans' Employment and Training Service Institute as incorporated in your bill.

It is my understanding that Assistant Secretary of Labor Donald Shasteen has already done an excellent job in developing training facilities in Denver. This is known as the National Veterans' Employment and Training Service Institute.

Let me also briefly mention that in general the proposed changes to the VJT Program are greatly needed and should result in a stronger program, especially for those veterans who need that additional level of support while participating.

I am particularly impressed with the case-manager approach and, of course, the emphasis on counseling. There are so many features in this legislation, Mr. Chairman, that I find it hard to find anything unfavorable; but at the same time, I would be less than honest and not the best witness if I did not point out three areas that could possibly be troublesome.

First, I mentioned the need for adequate training a moment ago. If we pursue comprehensive counseling programs and a system of case management as proposed, we are increasing our commitment of staff and time. I would simply suggest that perhaps we should make sure that adequate funding would be forthcoming to meet these needed goals.

Let us not forget that counseling requires training. As you know, the employment service has proved itself over the years as the Nation's best delivery system for the veterans' employment and training programs. During the past 12 years and more, it has been my privilege to manage a State employment security program which has included a very successful veterans' component.

Much of the credit, of course, goes to my good friend and valued associate, Bill Plowden, the First Assistant Secretary of Labor for Veterans' Employment and Training.

Second, the requirement that the Assistant State Director formally participate in the performance rating of each LVER may interfere with the line management by the office manager. State personnel regulations reserve to the various agents and supervisors the responsibility for rating the performance of employees.

The last item I wish to comment on concerns a section of the bill which makes both LVERs and DVOPs "functionally responsible" to State Directors for Veterans' Employment and Training and their assistants. I must admit that I am not certain exactly what is meant by the phrase "functionally responsible," especially since the measure recognizes that LVERs and DVOPs are State employees assigned by the administrative head of the employment service and are directly supervised by ES managers.

Unless this issue is clearly spelled out, there is some potential for conflict. In this regard, I want to make it clear that the State Director for Veterans' Employment and Training should be concerned about the function end of DVOPs and LVERs as well as appropriate service delivery issues.

In South Carolina, I enjoy what I believe to be a productive and meaningful type of relationship with our State Director. When there are issues of concern regarding the program or the staff, we confer and resolve these matters as expeditiously as possible. The future relationship between State employment security agencies and State Directors will, to a great extent, depend on the clarification of this matter.

And I strongly recommend that your staff consult with other employment security administrators about this issue.

Mr. Chairman and committee members, I want you to know that the veterans of our Nation are indebted to you for your commitment and attention to these matters. This concludes my prepared remarks. I would be most pleased to answer any questions that you may have.

Senator ROCKEFELLER. Thank you very much. Some of the consultation you referred to at the end there, we are in fact doing. Vince Rios, you came here, I think, at your own expense? We are glad to see you here.

[The prepared statement of Dr. David appears on p. 118.]

STATEMENT OF VINCENT RIOS, FORMER STATE SUPERVISOR, CALIFORNIA VETERANS' JOB TRAINING PROGRAMS

Mr. RIOS. Yes, Mr. Chairman, thank you. Mr. Chairman and members of the Senate Committee on Veterans' Affairs, ladies and gentlemen, I am Vincent Rios, former State Supervisor for California's Veterans' Job Training Programs. Mr. Chairman, I would like to thank you and the other members of the committee for your leadership in addressing problems faced by the unemployed veterans.

The Veterans' Administration National Headquarters reports, as of April 1, 1987, that California veteran's job placements at 6,068 veterans' with $23,389,223 encumbered, compared to the national overall placements of 47,692 veterans' and $169,866,563 encumbered. California is ranking first among the other States in both number of placements and funds encumbered. That is at 12 percent of the national placements and 13 percent of the national funds encumbered.

In addition, I wish to make the following specific brief comments about S. 999. Sections 2 and 3 of S. 999 provide for the disabled veterans' outreach program specialists and the local veterans' employment representatives to be functionally responsible to the State and Assistant State Directors for Veterans 'Employment and Training.

There are 14 Department of Labor staff in the State of California responsible for over 200 disabled veterans' outreach program specialists and 100 local veterans' employment representatives. California now has a system of checks and balances with the Department of Labor.

California's DVOP workload summary reports for the month of January and for the year to date indicate, by the table in my statement showing the percentages for nonveterans served by month, positive ongoing efforts to correct/eliminate reporting errors. As you can see, the registration conducted by our veterans' staff in California to nonveterans' goes from a high of 4.8 in August and September of last year to a low of 1.3 in January of this year.

And our veterans' staff has provided services to nonveterans' seeking services at a high of 4.3 in August and October to a low of 2.1 in January of this year. There are problems with the job development referrals. There was a high of 9.6 in December of last year; that has dropped to 4.5 percent as of January.

Those that were referred to jobs that were nonveterans by our veterans' staff in California was at a high of 7 percent in October, and that has dropped to 4.4 percent. The individuals who were actually placed by our veterans' staff that were not veterans' were at a high of 8.1 in September of last year, and that has dropped to a percentage of 5.1.

Future improvement is expected as California field offices use the specific special printouts distributed to identify and correct remaining reporting problems. While the full impact of this effort will not be evidence until the April reports are run, I expect to see continuing improvements in the intervening months.

California has had a degree of success thus far with the VJT Program, but there are still many veterans' unemployed; and California continues to make every effort to place them through programs like the VJT.

That concludes my testimony. Thank you, Mr. Chairman.

Senator **Rockefeller**. Thank you very much.

[The prepared statement of Mr. Rios appears on p. 123.]

Senator **Rockefeller**. Mr. Richardson, you may or may not have testimony, but I know that you have worked very hard on the "hard-to-employ" veterans, and I wonder if there are any comments that you would like to make with respect to that, or in general?

Mr. **Richardson**. Yes, sir, Mr. Chairman. First of all, I want to thank you for this time to allow me to appear before the committee. I am very much in support of the VJT Program. As you well know, Mr. Chairman, we come from a State with a high rate of unemployment.

The VJT Program has allowed us as veterans' representatives for the employment aspect to go out into the employer community, to set up on-the-job training programs, and to allow veterans' to become more productive citizens.

This is why I think the VJT Program is very successful, because it allows us to do that.

Senator **Rockefeller**. Talk to me a little bit about the nature of the harder-to-employ veteran. In other words, some veterans' are more difficult to place than others; I mean, for those who have come from a more recent combat experience, as in Vietnam, the adjustments are difficult.

It is probably not unfair to say there are some employers who are reluctant to hire on the basis of an image, which may have no basis in fact; on the other hand, there may be some basis in fact, which therefore calls for special kinds of counseling which may or may not be available.

In other words, it is one thing to talk about employing a veteran. It is public policy. We are trying to increase that here in the committee and in the Congress. We want to see it happen. On the other hand, it is easy for those of us here in Washington to talk about it. It is harder at the field level where you are.

Can you talk to this committee about some of the problems that you see with veterans' , let's say, who have had more recent experiences in Vietnam and who still have post-traumatic-stress problems, or who are simply suffering because people assume they may have problems that, in fact, they do not?

We are trying to encourage veterans to be hired. That is your specific work. Tell us about some of the individual problems that you run into and what you try to do about them.

Mr. RICHARDSON. I can give you two good examples, Mr. Chairman. We had an ex-felon, and he has finished time. And during his incarceration, he had obtained an education; and he was coming out of the prison, and he was having a lot of difficulty in trying to get employment.

He came to our local office, and we did the proper procedures. We referred him to counseling, set up an employability plan. Then we went out to employers to make good quality job developments. And we finally got him on a program for a pipefitter apprentice program, and it worked out very well. Now, he is in the country of South America as a production manager. So, that is one specific case.

Senator ROCKEFELLER. That is a good case.

Mr. RICHARDSON. That is an excellent case.

Senator ROCKEFELLER. What is an example of some problems you have run into?

Mr. RICHARDSON. With other veterans?

Senator ROCKEFELLER. Sure.

Mr. RICHARDSON. All right. We have another one. He has a triple bypass, for instance, and he had 40 percent PTS, post-traumatic-stress disorders. And he has had a lot of marital problems and so forth. So, in joint agreement with the Veterans' Administration, we had what we called readjustment counseling.

We sent the veteran to readjustment counseling. He successfully completed readjustment counseling to overcome the barriers, and we did what we call job development again.

And now, we have placed this veteran as a TV electronic repairman, and he is working very successfully. In fact, now he is one of the supervisors.

Senator ROCKEFELLER. What would be your advice as to what we could do here in the Congress that would make your job easier and which would allow more veterans to get counseling, training, and employment?

Mr. RICHARDSON. Well, give us the extra money. [Laughter.]

I think permitting us to do the case-manager study—which seems to be a little controversial here. As a DVOP, I feel the case-manager study is very valuable because it allows me to keep a rapport with the employers I work with on a daily basis. In that case management study, if I find a veteran is not meeting the employer's standards, then we can resolve that issue. Maybe he is not cut to do this type of employment.

Maybe he took the job out of desperation, because he is waiting to get called back to the coal mines, for instance. If he is not qualified, then maybe we can work something out with that veteran and the employer and maybe not penalize him in the future for future on-the-job training programs.

Senator ROCKEFELLER. Are you able to keep in contact with the people that you have helped after they are on the job?

Mr. **Richardson**. Yes, sir. I do my case-manager studies; and after completion of the training, I do a 90-day followup.

Senator **Rockefeller**. Do you do that personally? Do you do that by phone?

Mr. **Richardson**. Personally, sir.

Senator **Rockefeller**. That is important to them, isn't it?

Mr. **Richardson**. Yes, sir, it is.

Senator **Rockefeller**. There is a sense of continuity and a sense of support that you are there during the adjustment process, that they have worked with you, that they know you; and they have got to keep seeing you until things sort of get settled down?

Mr. **Richardson**. That is correct, sir.

Senator **Rockefeller**. Let me ask a more technical question of all of you. Maybe you would all answer this.

Obviously, there have been some concerns raised about Amendment No. 160 for the State Directors of Veterans' Employment and Training in this monitoring of the performance of the LVERs and the DVOPs. Now, the term "functionally responsible" is there. We are considering a clarification of that language, which is troubling to some of you, that would, one, make clear that functional supervision by a State Director of Veterans' Employment and Training is quite distinct from line supervision by the local public employment service officer manager; and second, that these provisions would in no way impose a dual management structure on the LVER or DVOP programs.

Would that clarification be helpful?

Mr. **Bush**. I guess I can answer that. I had some concern about that because in my judgment a man can't serve two masters. People would play the State Director against the local office manager. I certainly don't want to get into that. We operate veterans' programs by grant arrangement. State employment service agencies give us certain performance assurances. We then evaluate and monitor to make sure that they comply with the law to provide priority services.

What has happened in recent years with the monitoring function, is that we are looking at more computerized data prior to performing on-site evaluations. We are looking at whether or not the States are meeting negotiated performance standards. If they are successful in meeting or exceeding those negotiated performance standards, we don't have to put a lot of emphasis on looking very closely at every performance service area in that office. Negotiated performance standards are the minimum standards that the State agency has to meet. In most cases, they exceed those standards.

When we see that a negotiated performance standard is not being met, we focus our monitoring upon that particular aspect of the local office.

We also review complaints that LVER's or DVOP's are not being allowed to do their jobs properly and we focus upon that when we go into the office and do the annual evaluation. We do direct corrective action. We, fortunately, haven't had a lot of difficulty in our State. The general attitude toward veterans in the West Virginia employment service is very positive, as you know. So, we have not had a lot of problems, but there are isolated cases where those problems do occur.

When we first came into this job, we saw a large number of nonveterans being referred and placed into jobs by the veterans' staff. We began a monthly monitoring of that problem, using computerized weekly transaction reports. That problem, for the most part, has been resolved. There are isolated cases where there is no one but an LVER or DVOP left in the office, and somebody has got to serve that nonveteran coming through the door. Those are trends which have not developed.

In those cases where we see that happening, we question the use of LVER or DVOP's; and if the answer we get is satisfactory and is not trend setting we can accept that rationale.

For example, we had a DVOP in our Parkersburg office who was in the office during his lunch break. A nonveteran came in seeking job assistance; it was a female nonvet, and he simply handled it and referred her and actually got her placed into a job.

I told him that, since he was on his lunch break, that was acceptable, I guess. [Laughter.]

State Directors have to watch for trends that develop. If we negotiate through the grants arrangements performance standards, and the State meets those negotiated performance standards, then the only thing we should focus on are the problems or the complaints areas that surface.

I have a problem defining what "functional supervision" is. It is difficult to functionally supervise a program. If we attempt to assume the responsibility of the local office manager for being responsible for veterans' services, then the managers are going to tell us: OK, you run the program. I can't run the program. I can't monitor 33 field operations people on a day-to-day basis. That has to be the responsibility of the local office manager. I can hold that local office manager and the State agency accountable; and I can direct corrective action. That is built into the veterans employment and training system now.

When we talk about the intensity or required frequency of the outreach for DVOP's, that is another problem. I know of one office where the DVOP was doing very little outreach; it also happened to be the most productive office in the State in veterans' programs. What works for that office may not work for another office. It is a difference in management techniques. The DVOP was getting access to all job orders that came into that office, and all veterans were being referred first. He made sure that was happening. Fortunately, in that area, the number of job openings that were being placed through that office is very good.

In other areas of the State, that approach would not have worked. So, every office is different. Every approach to management is different. I think, as a State Director, my responsibility is to hold the State Employment Service responsible for the standards that we negotiate.

Senator **Rockefeller**. Vince?

Mr. **Rios**. Yes, Mr. Chairman. I echo those comments. California of course is a very diversified State, and the offices do vary from location to location. The approach in one office may be very consolidated, very concentrated, very efficient in its own way; yet offices in the outlying rural areas may be just as effective, just as efficient, but not quite as concentrated and more diverse in their approach.

The functional supervision is also a mystery to many of the veterans' staffs in California simply because there is now, in essence, that relationship between the State Director, the Assistant State Director, and the DVOPs and LVERs in the field through the field office managers.

There is, of course, the annual review, but there is also ongoing review by the State Director and the Assistant State Directors of our field offices. We do a monthly check on what the performance is like, making sure that the veterans' staffs are in fact serving veterans and, where they are not, we take corrective actions to do that.

Moneys have been asked to be returned when the cases crop up where there are nonveterans being served in fact by veterans' staffs. There are corrective measures in place. Perhaps in other parts of the Nation this functional supervision might be applicable; in California, we are not so sure that that would be the case, although of course we don't call the shots for the entire Nation. That is the situation in California.

Senator ROCKEFELLER. Thank you. Dr. David, Senator Thurmond is going to have some written questions for you, which he will submit.

Do you have any comments on this?

Dr. DAVID. I just agree with what Dave Bush said. I really don't think it is needed. Maybe in some States it is needed. It is certainly not needed in ours. We have visitations by a Federal representative monthly; whatever they see, they call it to our attention, and we try to get it corrected. And being involved in the ratings of the DVOPs and the LVERs is just not something that I think the Federal representative should do.

Senator ROCKEFELLER. All right, gentlemen. If you have any other thoughts on this, I would like to have them in writing by May 4, which I think is almost immediately.

Dr. DAVID. May I make just another short statement?

Senator ROCKEFELLER. Of course.

Dr. DAVID. I am very much involved in rendering service to veterans in our State. I wanted to point out that county service officers—in our State; I don't know about the other States—they are precisely familiar with the number of veterans in their area. In fact, the veterans' organizations recognize those that pass away each month at our monthly meeting. We know how many veterans there are.

And these service officers handle that for us. I just make that as a comment to further support the bill.

Another item is that we do need more counseling, but I would point out that we have lost 41 percent of our counseling effort in the employment security system in the last few years due to budget cuts. So, we really have less, and that has been reduced. So, any increase of counseling is going to require an increase of people—no question about that.

We just can't have our people do everything.

Senator ROCKEFELLER. Very good. Gentlemen, I thank you.

The next panel consists of Paul Egan, Deputy Director of the National Legislative Commission of The American Legion, accompanied by Dennis Rhoades, Director of the National Economic Commission; Gordon Thorson, Special Assistant, National Legislative Service, Veterans of Foreign Wars of the United States; and Ronald Drach, National Employment Director, Disabled American Veterans. Mr. Egan?

STATEMENT OF PAUL S. EGAN, DEPUTY DIRECTOR, NATIONAL LEGISLATIVE COMMISSION, THE AMERICAN LEGION, ACCOMPANIED BY DENNIS K. RHOADES, DIRECTOR, NATIONAL ECONOMIC COMMISSION

Mr. EGAN. Thank you very much, Mr. Chairman. Dennis Rhoades, the Director of our Economic Commission, will summarize for The American Legion.

Mr. RHOADES. Mr. Chairman, I am not going to discuss a lot of the points we made in our written statement because they have already been made. I would like however to highlight a few of the issues which have arisen here today.

The first thing I would like to talk about is the issue of functional supervision. To be frank, we would otherwise be prompted to look at the functional responsibility performance appraisal requirements of S. 999 askance if the LVER and DVOP program had not had such a long history of abuse.

For example, I don't think it is a matter for pride, as one witness testified, that a State is only breaking the law 4.3 percent of the time. It should be breaking it 0 percent of the time; and that, I think, is one reason why the functional responsibility requirement of S. 999 is perfectly in keeping with trying to bring this system around where it should have been a long time ago.

My friend, Jack David, I might add, does run a good system in South Carolina; and I assume that in his State the functional supervision provisions might not be needed; but there are so many States where this abuse is so rampart that the law does need to be tightened down. So, The American Legion does support that particular provision.

Now, I heard some questions about a definition of——

Senator ROCKEFELLER. Could I just interrupt there for a moment? People so often say that there isn't a problem in my State, but there is a problem; and in effect that is what you are saying. There is a problem but it is not in South Carolina.

Mr. RHOADES. Right. There may not be. I have known Jack for a long time. I assume there is not.

Senator ROCKEFELLER. Will you just talk a little bit about the problem for a moment before you continue with your testimony?

Mr. RHOADES. Talk a little about the problems with the LVERs and DVOPs?

Senator ROCKEFELLER. Yes.

Mr. RHOADES. A lot of it has to do with the workload of the employment service. The employment service—I don't know if you are aware—had about 30,000 staff years up until about 1982 and was reduced to about 19,000 total staff years, despite the fact that the labor force had been growing all along.

There is a tendency for the management, therefore, to take the DVOP and the LVER positions and use them to fill in short spots in the employment service workforce. And that is a situation which is often out of control in some States and which other States try to place some conscientious restraints on.

It is a difficult position for local office managers and State agencies. On the other hand, I think the law is pretty clear about what full-time means and what it doesn't mean and about what the duties of LVER's and DVOP's are.

DVOP's, for example, in most States do not do the kind of outreach the law has intended them to do. So, I believe one result of the functional responsibility requirement, Mr. Chairman, is that perhaps we will see both the LVER's and the DVOP's more closely adhering to what the Congress intended their duties to be in the first place.

As I said, we do back the provision. Now, there was some question about the definition of "functional supervision" and "functional responsibility". I might suggest that I have a fairly lengthy institutional memory; I am going back to the Federal Register—the regulations published on Tuesday, November 2, 1976 on the public employment service; that is, 29 CFR, section 653.214, paragraph (d)(2), which does define "functional supervision." And I would like to submit that to the committee staff to take and look over and perhaps use that as a departure point to clarify the meaning of "functional supervision."

Senator **Rockefeller**. It will be entered in the record along with your institutional memory.

[Laughter.]

[The information appears on p. 126.]

Mr. **Rhoades**. I am just going to touch on a couple more items. I see my light is still green. Don Shasteen said that the DVOP's can't get out of the office; and yes, they can't get out of the office because there are simply not enough veterans' staff. Yet the Administration has continued to advocate reductions in the LVER program.

We believe that is why the new formula is important. As another witness stated, we need to stabilize the program. It is causing a great deal of destabilization in terms of State planning for staff levels each year. We have also heard some talk about what do you do about retirement communities. I think the gentleman from South Carolina made a good point when he mentioned that a lot of retirees are still looking for employment.

On the other hand, we would not be adverse to considering a narrowly circumscribed waiver of the population requirement where there is a demonstrably greater proportion of retirees in the population than you would see nationwide.

On the Veterans' Job Training Act, The American Legion does find the changes in the funding formula somewhat troublesome, and we do so because we believe that it may make the program somewhat uncompetitive. The Job Training Partnership Act, complete with its panoply of supportive services, does pay the employer at 50 percent of starting wages from the beginning.

We thus have some concerns that the Veterans' Job Training Act Program will suffer as a result. On the other hand, we do believe that the counseling requirements, together with case management, are long overdue; LVER's and the DVOP's, however are going to have to be trained to deal with these new requirements to provide that kind of counseling. It is going to take a certain length of time to get them up to speed.

We also believe that the employment service has been reducing resources in formal counseling; and while that is not under the purview of this committee, these reductions are going to impact the counseling requirements.

Finally, Mr. Chairman, we strongly support the National Veterans' Employment and Training Institute that is proposed by S. 999. I would mention what may seem like a technical matter but I think it is very important; and that is, I would suggest that you take a look at section 2006 of chapter 41 and consider including the NVTI as a line item that the Department of Labor will prepare as a part of its yearly budget.

While it doesn't suggest a funding level for NVTI, at least it puts the issue on the table and will prevent attempts to fund the Institute by robbing the DVOP and LVER funds, which I think eventually is going to happen.

Mr. Chairman, that concludes my statement.

Senator ROCKEFELLER. Thanks very much. Mr. Drach, you are also very knowledgeable and as good as Mr. Rhoades on this question of supervision and functional responsibility and all that. Could you, before you give your words of wisdom here, comment on that to me?

[The prepared statement of Mr. Egan and Mr. Rhoades appears on p. 134.]

STATEMENT OF RONALD W. DRACH, NATIONAL EMPLOYMENT DIRECTOR, DISABLED AMERICAN VETERANS

Mr. DRACH. Yes, Mr. Chairman. Thank you very much.

I agree with Mr. Rhoades' assessment of the functional responsibility issue. I think it was brought out pretty adequately why we need it by Mr. David and Mr. Bush.

Something works very well in South Carolina, but it doesn't work very well in West Virginia, and sometimes vice versa; and I think that really gets back to the key thing, that there is no national standard that is applied across the board. Many of the States are permitted to operate as they see fit and, therefore, one State interprets it one way and another State interprets it another way; and you have a mish-mash of administration.

Therefore, I think we need a national policy that states "you shall do" and "you will do," not "you may do."

Senator ROCKEFELLER. And then what happens to those who are doing?

Mr. DRACH. They will just do it better.

Senator ROCKEFELLER. Do you all agree with that?

Mr. RHOADES. Absolutely. Where that kind of relationship exists—and I have seen it in a number of States—the services to veterans are much better than they are in other States.

Senator ROCKEFELLER. Mr. Drach, would you proceed?

Mr. **Drach**. Thank you, Mr. Chairman. I, too, will just summarize from my prepared statement. First of all, I want to compliment you and the committee for bringing in employers. I think it is very important to hear from the employer community as to why these programs work or don't work and what the problems are because they are the ones who actually participate in the programs or don't participate, depending on what we do.

I also want to compliment you for a very comprehensive bill on what we believe is a long-needed overhaul in some of the programs in chapter 41 of Title 38, as well as some needed changes for VJTA.

We support the functional responsibility provision. We also support the need for a formula for the LVER; however, I am not sure that the formula, as put in the bill is the adequate formula to do this. The Department of Labor and the States have been assigning LVER position, to a large degree, on a formula very similar to that by using registered applicants. Our concern about that is that it leaves a lot of room for manipulation of the data as to who is registered, who is not registered, who is registered full-time, and who is registered part-time, who is job attached and registered—it is a horror—there are like nine different definitions of who is seeking employment, and what types of employment services that they need.

We would rather see a formula tied to the veteran population, similar to the DVOP population—or the DVOP formula. It has worked pretty adequately for the last 5 or 6 years, using that type of a formula.

I want to point out that using a registered formula that they currently use, the number of LVERs has been cut almost in half in the last 6 years, from around 2,400 to around 1,300. So, even though there is an administrative formula already used, we still lost almost half of our local LVERs.

If we cannot use a population formula, I think we need to look at redefining who is registered and who is not registered. That doesn't take into account the dislocated worker or the disenchanted worker—the person who is no longer seeking employment and has given up using the job service for whatever reason. We need to do outreach for those individuals.

Senator **Rockefeller**. Would that be a higher statistic or percentage in the veteran population than in the general population, do you think?

Mr. **Drach**. I don't know. I don't have any data on the top of my head on the general population, but Mr. Shasteen pointed out that two-thirds of the more severely disabled veterans have dropped out of the labor force. So, you have got 67 percent of a particular population that wouldn't be counted for anything. They are not counted for unemployment statistics; they would be counted for the DVOP because they are in the population in general. They wouldn't be counted for the LVER allocation. What do these people need? They need intensive outreach services. They are not coming into the office looking for help.

We need to go out there and find them and find out what types of services they actually need. I don't know what the proportion of dropout is in the general population, but it is high in the veteran population. I believe for Vietnam era veterans, 19 percent have dropped out of the work force; they have just given up. You know, they are just so frustrated with the whole system, they have given up.

Senator **Rockefeller**. If that is the case, then you are probably talking about a 400 percent greater dropout rate for veterans than for the general population. I always assume that when somebody says that, let's say, in the State of West Virginia the unemployment rate is 13 percent, I add on 4 percent without thinking. Right? But you are saying 19 percent, 20 percent. Don, would you agree with that?

Mr. **Shasteen**. It may not be quite that high, but it is higher than the general population.

Mr. **Drach**. It is 19 percent, Senator. It is in the special Bureau of Labor Statistics study that was done in April of 1985. I believe it is Vietnam theater. Now, maybe not Vietnam era, but Vietnam——

Mr. **Shasteen**. I would agree with that.

Mr. **Drach**. 19 percent. Only 81 percent are participating in the labor force. So, 19 percent have dropped out.

Now, how that compares to the general population, I am not really sure. We could easily check that out and let you know.

We also support the idea of the Assistant State or the State Director participating in the annual performance rating of the local VERs and we would also extend it to the DVOPs, mainly again because the office manager right now has the total authority over this individual. And if that individual does what he or she is told to do by the office manager, the office manager is going to give him a good report. That doesn't necessarily mean they are doing what the law says to do.

So, it ties in with the functional responsibility, I believe, to have that assessment.

I also wanted to just point out something else that Mr. Bush had mentioned, that they evaluate the office once a year. So, it is very complaint-oriented. If there is a complaint, they will go in and do something. But other than that, they just go in once a year, and they evaluate a negotiated performance standard. Now, my recollection of chapter 41 of title 38 says that every veteran seeking services shall receive a reportable service. The performance standards that Mr. Bush talks about are performance standards based on the quality and quantity of services. So, again, in one State an acceptable performance standard may be 59 percent of the population being served for counseling.

Another State, it may be 81 percent, and in another State it may be as low as 21 percent because it is negotiated, yet the law is very specific that every veteran—every eligible person, veterans and spouses—shall receive services.

I see that my time is up, and I will just say one last quick thing about the National Veteran's Training Institute concept. I have seen it. I have participated in it. I have reviewed it. It is an excellent program. It is needed. It should be continued, and we wholeheartedly endorse it.

Thank you very much, Mr. Chairman.

Senator ROCKEFELLER. Thank you, and Don, you deserve a lot of credit for what he just ended up with because you did a lot to get that going.

[The prepared statement of Mr. Drach appears on p. 145.]

Senator ROCKEFELLER. It occurs to me, Mr. Thorson, that I was looking at the other side of the table rather than your side of the table. I am not sure you agree with what they have had to say. I want to give you a chance to reply.

Mr. THORSON. Certainly, we agree with both of these gentlemen. We find ourselves in concert with their stated opinion.

Senator ROCKEFELLER. All right. Please proceed.

STATEMENT OF GORDON R. THORSON, SPECIAL ASSISTANT, NATIONAL LEGISLATIVE SERVICE, VETERANS OF FOREIGN WARS OF THE UNITED STATES, ACCOMPANIED BY ROBERT L. JONES, SPECIAL ASSISTANT FOR EMPLOYMENT, NATIONAL VETERANS SERVICE

Mr. THORSON. Mr. Chairman, my name is Gordon Thorson, and as a special assistant on the legislative staff of the VFW, I have been selected to represent the viewpoint of our proud organization. By this time, each of you should have already received a copy of our written testimony, and we ask that it be made a permanent part of the record. Please note that an error was made on page 5, the seventh line from the bottom. The line should read "a career senior executive service position." Some of the copies have been corrected—the later copies—but the original copies that were given to your staff were incorrect. So, if they could make that change, I would appreciate it.

The main thrust of this hearing appears to be S. 999. However, I would first like to address S. 918. The Veterans of Foreign Wars will not support S. 918. This bill was introduced at the request of the Administration and, though it is entitled "The Veterans' Educational Assistance Improvements Act of 1987," we suggest that it would be more appropriately entitled "The Veterans' Educational Assistance Elimination Act of 1987."

Sections 102, 103, and 201 of S. 918 would eliminate benefits thought necessary for many veterans to protect the Veterans' Administration from the abuses of a few. You can be sure that the VFW will continue to oppose unnecessary education benefit reductions.

Again, as I said, the main thrust of this hearing is S. 999. The Senate Veterans' Affairs Committee Chairman, Senator Cranston, introduced this bill with the support of several key Senators, to include yourself, sir.

The VFW supports VJTA and we believe that S. 999 for the most part does an excellent job of extending, improving, and funding the VJTA Program. We agree that DVOPs should be responsible to State Directors of Veterans' Employment and Training. We support the establishment of a formula by law that provides a full-time LVER at each employment service office, and we applaud the requirements that LVERs be veterans. The National Veterans' Employment and Training Institute has proven to be a good program, and we encourage the establishment of a permanent training program and the sharing of approved employer information between agencies also makes very good sense.

However, we do not agree with section 5, the necessity of mandating the exchange of information between Federal agencies. That information should already be administratively available to an Assistant Secretary of Labor.

We also do not agree with part of section 9, that part which would modify the employer reimbursement formula. The current system of reimbursement is simple and easily understood. Let's not complicate employer reimbursement; let's not discourage employer participation.

Employers will continue to participate if we keep the basic 50 percent reimbursement. Veterans will benefit more if we improve the program by implementing the case management approach, coupled with counseling and early intervention.

Now, in an effort to best serve the interests of this hearing, I would like to——

Senator ROCKEFELLER. Let me interrupt for just a second. What you are saying then is that you can make up for the problems that cause this one bill to propose the 50-30-20 reimbursement arrangement if a better job were done on counseling. You are saying better counseling would make it possible to avoid the 50-30-20 approach. Is that what you are saying?

Mr. THORSON. Right. Why put this burden on the employer? Let's implement the case management approach. Let's do a better job of counseling. Let's do a better job of working with the veteran participant to ensure his continuation in the program. Let's not mess with the current rate of reimbursement is what we are saying.

Senator ROCKEFELLER. Are you fairly certain, were that to happen, that the dropout rate during training would decrease significantly? It is a problem; you admit it is a problem?

Mr. THORSON. Yes, we will admit it is a problem, but we suggest that the veteran would be best served by directly helping him. The employers feel the program now is simple. It is easy to utilize. It is easy to become part of the VJTA Program as an employer. So, why mess with something that is already working well?

Senator ROCKEFELLER. A classic phrase.

Mr. THORSON. All right. I see my time has run out. However, I think it would benefit the committee if we acknowledge and then perhaps ask to join this panel a member of our staff. He is an expert, I feel, in employment and training. Mr. Bob Jones. If it would be possible, Mr. Chairman, I would ask that he be asked to join us and give a brief statement.

Senator ROCKEFELLER. He would be welcome. Mr. Jones?

Mr. JONES. Thank you, Mr. Chairman and Gordon. Mr. Chairman, I would like to follow up what Dennis was saying and what was testified to earlier by McDonnell Douglas, a major defense contractor and a very sizable corporation in the United States.

They indicated the difficulties that they would have with the formula for reimbursement of employers under the Veterans' Job Training Act. I would like to point out that in the Centaur report—the final report on the Veterans' Job Training Act—that the majority of the employers that use this program had less than 20 employees.

And if McDonnell Douglas has problems with that formula, imagine what that small mom-and-pop shop will have in trying to maintain records and get reimbursed for their involvement.

As my colleagues have testified here this morning, I believe with the enactment of legislation such as S. 999, that we will have been provided the necessary tools. We have been provided the legislation, the program, the resources, and an enhanced dedicated staff.

The one thing that we really have not addressed in my opinion is just specifically what are the employment and training needs of veterans. I would like to suggest, in the interest of time, two recommendations for this committee to pursue. First of all, I would like to suggest that there has been a series of geographically time-specific studies that have been made pertaining to Vietnam veterans.

To my knowledge, there has not been a longitudinal study made that addresses the employment and training needs of the combat theater, disabled, and minority veterans, nor has any study that I am aware of taken a good hard look at the employment and training structure that is in place to provide services to that target group. I believe that change is good. I think it is a healthy ingredient for any structure. However, I believe that we are at a point now in an austere budget that we have to very carefully plan and strategically direct our limited resources. And I believe that a longitudinal study at this particular time is essential for our programs.

Second, I would like to suggest that we consider directing the Department of Labor to conduct on an annual basis through the Bureau of Labor Statistics an annual special survey, very similar to the one that they did in March of 1986, that addresses that same target group. A study that would give us a quick snapshot on an annual basis of the employment and training results of the programs that we are trying to put in place and would also give us a good indicator of the effectiveness of the staff and those programs. Thank you, sir.

Senator ROCKEFELLER. All right. Thank you.

[The prepared statement of Mr. Thorson appears on p. 152.]

Senator ROCKEFELLER. Does anyone have a comment?

Mr. EGAN. I have one comment, Mr. Chairman. We neglected to say in our summary that we have one further suggestion, and that is recognizing the fact of the entire dislocated worker population—26 percent—are veterans. We believe that a useful addition to S. 999 would be to provide some mechanism to suspend the requirement that an individual be unemployed for an extended period of time before they are eligible, in cases where there are plant shutdowns or specific layoffs. No period of unemployment is required under title 3 of the Job Training Partnership Act. None is contemplated under the Worker Readjustment Assistance Program, and none is contemplated as far as I know under the Trade Adjustment Assistance legislation.

Therefore, we think that, in the interest of equity, that that should be provided in VJTA as well.

Senator ROCKEFELLER. I want to thank you all. I want to make one point, too, just so——

Mr. DRACH. Could I make just one last comment?

Senator **Rockefeller**. Yes, but let me make mine for a moment first, though. On the counseling, and you all raised this point, if we do more in counseling we can reduce the dropout rate, and I agree with that. It is also true, however, in the 1985 amendments that we did beef up counseling and the 61 percent dropout rate persisted. So, what I think we are trying to do here is to figure out some middle ground wherein there is an incentive of some sort to the employer which works to get the 61 percent dropout rate down. I think that is the problem.

I went to West Virginia as a VISTA worker—a social worker—and you know, whenever you say the word "counseling," that is like saying and automatic way to solve problems. And I assume once you do better counseling, you start solving the problem. Statistically, in this particular case, it doesn't seem to have had an effect.

Now, you could have just as good an argument to say that it is only 1 year old and you can't really judge on a 1-year basis, but it is still an interesting point: How do you use money? How do you use incentives? Negative and positive? To encourage people to stick with training, pushing the best possible counseling; and yet using public taxpayer money in the wisest possible way. So, that is what we are trying to struggle with here, which is why we have been trying to get your views on it.

Mr. Drach?

Mr. **Drach**. Yes, Mr. Chairman. On the issue of counseling we recommended in our statement that the VA's vocational rehabilitation specialists be used as counselors. I am not sure, but I think Mr. Vogel indicated that might create an additional burden on an already-burdened system. And it is kind of ironic that this Administration, for the last 6 years, has continually requested fewer dollars for the voc/rehab program and fewer people to staff that program.

So, if that is indeed already overburdened, why not ask for more people and more dollars? Thank you.

Mr. **Jones**. Mr. Chairman, I looked into the Centaur report very closely and looked at the voluntary and involuntary terminations: poor performance, didn't like work, emotional difficulties, absenteeism. That indicates to me that this individual was not job-ready when he took the position. We know that the majority of these individuals drop out during the first 3 months. We also know that the very dedicated LVERs and DVOPs are becoming increasingly restricted to their desks and their offices.

I submit that these individuals, while they play a very critical role in the support mechanism and the case management system, may not be the best individual to provide that support in the counseling arena. Therefore, I would like to suggest that there is a Veterans' Administration/Department of Labor agreement, an interagency agreement, all the way down to the State level. I firmly believe that the Vet Center staff who does and is comprised of trained counselors should be included into this VJTA system and participate in this case management and support system, in particular within the first 90 days that the man is on the job.

Mr. **Rhoades**. Mr. Chairman?

Senator **Rockefeller**. Yes?

Mr. RHOADES. Just one more followup comment to that.

I think what has to happen is the Labor Department and the VA have to come up with a coherent counseling plan, recognizing resources and prioritizing needs against those resources. We would very much like to see that happen so that, when we come before you again—next year or later this year—and start talking about counseling, we are talking about something considerably less nebulous than we seem to be talking about now.

I would recommend to the committee that they talk to the VA and the Department of Labor about that issue.

Senator ROCKEFELLER. Good. All right. You are a super panel, and I really appreciate your aggressiveness in being on top of all things, as well as the institutional memory. [Laughter.]

There are questions which we will submit in writing to this last panel, which I didn't ask.

The final panel consists of: Mr. James G. Bourie, National Service Director, American Veterans of World War II, Korea, and Vietnam; Mr. Robert Moran, Associate Legislative Director, Paralyzed Veterans of America; Mr. Ronald L. Miller, Executive Director, Blinded Veterans Association, accompanied by Wilburn H. Long, Director of Outreach Employment Program; and Mr. Richard F. Weidman, Director of Government Relations, Vietnam Veterans of America.

I apologize that you folks had to wait so long.

Who would like to go first? Jim, do you want to go first?

STATEMENT OF JAMES G. BOURIE, NATIONAL SERVICE DIRECTOR, AMVETS

Mr. BOURIE. Thank you, Mr. Chairman.

AMVETS appreciates the opportunity to discuss with you today S. 999, and we want to thank the committee for its active concern over the pressing issues of veterans employment and training.

Regardless of the official statistics, veteran employment issues are real for veterans of all years and especially the disabled veterans. It is most disappointing and frustrating that, when it comes to Federal employment and training programs, veterans are not included—not included in any meaningful way in the Job Training Partnership Act, not included in any of the administration's employment training proposals like the Worker Readjustment bill. We must fight for every inch, yet it is often a losing battle.

We hope that S. 999 will help in the administration of veterans' employment and training programs and services. AMVETS does not oppose the EVOPs being functionally responsible to State Director of Veterans' Employment and Training Service, and we also have no objections regarding the LVERs, the placement ratio—we think that will add some stability to the program—functional responsibility—although we have a little question on what precisely is "functional responsibility"—the counseling aspect of the Veterans' Jobs Training eligibles, and we especially support veterans' preference for LVERs.

We further support the evaluation performance of LVERs, and the uniform performance standards for both LVERs and DVOPS.

We have no objections, and indeed we endorse the idea, wherein the Secretary for Veterans' Employment and Training Service take a more active role in VJTA registration and placement, as well as having DVOPs counsel eligible participants.

All veterans service providers need to take a more active and aggressive hand in the Job Training Partnership Act as far as veterans are concerned, as veterans are left out of the JTPA mainstream.

Mr. Chairman, AMVETS knows firsthand of the excellence of the National Veterans' Training Institute; we think it is an excellent program. However, there is no provision for continued funding. We recommend amending language to attach the program to the Assistant Secretary for Employment and Training, and that the program be made a permanent and identical part of the VETS budget solution.

We agree and support the provisions, Mr. Chairman, that would make the VETS include——

Some of the managers at the jobs services offices and the administrator will have their noses out of joint, as they will be required to utilize DVOPs and LVERs as attended by law and regulation.

That sort of situation must be watched closely, and the Assistant Secretary must take a strong hand and swift action, should that come to pass.

An additional recommendation to S. 999: We would like to see the Secretary of Labor's Committee on Veterans' Employment be amended, to expand, to include the U.S. Postal Service and the Secretary of Education. Both have vested interests in veterans' programs. Amendment No. 160 authorizing the $60 million certainly has our endorsement.

To digress a little bit, of all the veteran organizations you are going to hear, we depart, AMVETS, because we are an employer. We have hired seven national service officers under the program. I have. I fill out the paperwork, and I deal with the VA. It is an excellent program. All seven national service officers are still employed. So, I see both sides of the fence, as a veterans' advocate and an employer—most unusual; the other veterans' organizations don't. And I certainly support the program.

The counseling program, while I say I support it, I have a little trouble with getting a counselor involved in it, because that is something we can work out if there is a problem, within the employer structure, rather than having a third party who doesn't know my needs as an employer come in and tell me what to do and how to operate my program.

To continue on S. 918, AMVETS was one of the first veterans' service organizations to endorse and promote legislation in the New GI Bill, and we support S. 918 now.

Thank you very much, Mr. Chairman.

Senator ROCKEFELLER. Thank you very much, Mr. Bourie.

Mr. Weidman, would you like to go next?

[The prepared statement of Mr. Bourie appears on p. 161.]

STATEMENT OF RICHARD F. WEIDMAN, DIRECTOR, GOVERNMENT RELATIONS, VIETNAM VETERANS OF AMERICA

Mr. WEIDMAN. Thank you, Mr. Chairman.

First of all, let me say VVA appreciates the committee holding this hearing today and addressing both the Veterans' Job Training Act and chapter 41. We hope this is a prelude to moving on and addressing chapter 42 before this session is out, because there are a number of things in there, including what is known among Vietnam veterans' as a "drop-dead date," which means that at the end of 1991 we will not longer be considered Vietnam vets. VVA hopes you will move on in that regard, to correct this.

The general thrust of S. 999 is something that Vietnam Veterans of America can wholeheartedly endorse. There are three ongoing problems, we believe, with the Veterans' Employment and Training Service, and services to veterans in the Department of Labor.

The first has to do with the authority of the Assistant Secretary of Labor over what is ostensibly his system (or her system perhaps one day), over the Veterans' Employment and Training Service. What we are talking about there is the linkages that go all the way down to the DVOP and LVER. Oftentimes there is even confusion when we talk about the Veterans' Employment and Training Service, because some people are talking about the 279 Federal employees, down to the Assistant State Director level, and some of us are most concerned with what happens with the "foot soldier", if you will, who actually is winning the battle or losing the battle, and that is the DVOP and LVER out in the field.

We believe that most of the provisions that have been suggested in S. 999 move toward giving greater authority over the system, and therefore, we would hope, more accountability.

In the same regard, we have made a number of suggestions, that the Secretary have the authority and the responsibility (as well as accountability back to the Congress) to ensure that all training programs have taken into account the special needs of combat theater and disabled veterans, which is now not the case. Basically, if we are not "written in" at the Federal level, we are "read out" at the State and local level. It makes it a misnomer to call it the "Veterans' Employment and Training Service," because we don't have any impact on the JTPA structure, which really delivers most of the training.

Senator ROCKEFELLER. Pursue that with me for a moment.

Mr. WEIDMAN. There is no veterans provision in the Job Training Partnership Act per se, with the exception of title 4(c), which is less than four-tenths of 1 percent of the moneys.

At the State level, the State of West Virginia, say Charleston, people at the Charleston Private Industry Council are absolutely correct: They didn't send anybody to Vietnam, nor did the State of West Virginia. The Federal Government did. And the point is that we have made a suggestion to you. It may not be in the absolutely appropriate place, but it is vital that there be built into chapter 41 the responsibility on the part of the Secretary of Labor to ensure veterans' participation in all of the major titles of the Job Training Partnership Act, the Worker Readjustment Assistance Act, any kind of training program administered by or funded by the U.S. Department of Labor.

Senator **Rockefeller**. Well, VJTA fits into that, in your judgment, how?

Mr. **Weidman**. The Veterans' Job Training Act, sir? Well, obviously only veterans participate in that at this point. The problem with the VJTA has been all along the lack of the monitoring and the counseling.

A lot of people have talked about counseling this morning. People really haven't pinned that down. Part of that is pre-employment screening, frankly. Part of that is the need of readjustment counseling by somebody from the Veterans Outreach Center, whether it be of a clinical PTSD nature or otherwise. Sometimes it is substance abuse and counseling that is needed; sometimes it is straight employment goals clarification counseling, et cetera.

The point about it is, when it comes to the Veterans' Job Training Act, and the reason why there has been the major dropout rate, in our view, is by and large that nobody from the Federal Government—not from the Department of Labor, because it is not working in that particular State, nor from the VA—have contacted either the employer or the vet since the day the individual got the eligibility cert and went down and started to work. So, that is why they have dropped out—nobody has ever asked.

Over on the House side—do you want me to stop, Mr. Chairman?

Senator **Rockefeller**. No, go ahead.

Mr. **Weidman**. OK.

One of the employers over there talked about—in fact, it was Mark Moseley, formerly of the Washington Redskins—talked about some of the difficulties he had had. He still has two folks working for him, and one of the people who had left, however, was somebody who had had trouble with his prostheses. They didn't fit correctly. He couldn't get the VA Hospital to help, and this individual had difficulty with it. Nobody ever called, incidentally, from VA or from the Department of Labor on any of the five people that Mark had hired to work in his travel agency.

Mr. Bourie may be correct that you don't want to impose a case manager—and I think the folks from McDonnell Douglas made the same point—at all points in the process; but, doggone it, somebody can call to find out whether or not this vet is working out or not.

There are reasons why people have been unemployed long enough to qualify for the program. And to think that they are not going to have barriers to employment that need to be surmounted, and that it is not a scary thing for anybody to come back into that kind of a situation after having been unemployed for a long period of time, simply doesn't take into account who we are dealing with.

Senator **Rockefeller**. You are suggesting, too, that a phone call or some kind of a contact from a so-called "third party" isn't necessarily intervention into an employer's business? I mean, it could just be keeping in touch, right?

Mr. **Weidman**. It could be a keeping in touch, and it could be also just notification that, "Hey, I am here. My name is so-and-so. You can reach me at such-and-such a number, and there are this, this, this, and this kinds of services that are available if you come back to me." It is that personal relationship that a number of people have alluded to here this morning, Mr. Chairman, that, it seems to us, is really key.

Senator **Rockefeller**. That is fair enough, isn't it, Jim?

Mr. **Bourie**. I think so. No. 1, I don't think the Department of Labor or the VA are capable of ongoing case management, a 1-on-1. They are going to have to have phone calls. I wouldn't mind a phone call from time to time; nobody has ever called me.

But I want to add, quickly, that the Department of Labor and the VA—especially the VA—in getting the paperwork and the checks, and the whole bit, no problem whatsoever. In fact, when we have a vacancy—and we will be hiring five new service officers next budget-go-round—we look for those. And indeed, even secretaries. I have a field staff of about 150 people out there. We look for people who are qualified for the program first, because I am convinced as an employer to proven success.

But, again, I would appreciate a phone call now and then: "How is so-and-so working out for you" rather than——

But I watch them; I know who is doing a good job and who is not doing a good job, and why they are not doing a good job. Many of them just can't cut it. It is tough work.

Senator **Rockefeller**. I have interrupted you again, Mr. Weidman.

Mr. **Weidman**. I would just touch on two other things here, if I may, Mr. Chairman.

Lastly is the training of VETS personnel, and that comes back to the authority and accountability. It seems to us at VVA that the two most important things in terms of administrative initiatives that have happened at the Veterans' Employment and Training Service in the last 5 years are, No. 1, the National Veterans' Employment Training Service Institute, which is a first step—and we would stress a first step. It is a very important step, but the next step is to set up programs out of that that, for instance, the West Virginia Bureau of Employment Security can then contract with.

Don Shasteen made the point this morning that almost 60 percent of services to veterans are delivered by someone in the ES other than DVOPs and LVERs. In many cases, those folks—you know, you can walk into an office; if the DVOP is not there, you will have to come back. We hear that kind of complaint a lot in the field around the country.

So, we believe that training people in what their job is is a first step. And the second is that VETS is finally starting to put in a "management-by-stated-objective system," a modified system that has been used successfully by IBM. This moves in the right direction.

But there are a number of things that we would recommend that the committee consider that would tighten this up even further.

One is, we are very much in favor of the LVER formula, and we are very much in favor of something—I don't know if the other organizations mentioned this, but it was writing into chapter 41 the Regional Directors for Veterans' Employment and Training, because if they are not written in, they are going to continue to be reduced. We started out with 10, 5 years ago, and we are now down to 7. My guess is that it will be reduced even further.

Last but not least, in terms of the Veterans' Job Training Act, Mr. Chairman, we think that the key to cutting down on that recidivism is the counseling parts which are contained in section 9(b). The complicated formula in regard to a sliding formula, we endorse the motivation behind it. But in dealing with large-scale disbursement programs, we found over the years that the best watchword is the old Army saying, "Keep it simple, stupid," because if you don't it will really become a mess very quickly. And we are afraid that not only will a lot of people be not getting the right amount of money—I mean, not according to the formula even—but they won't understand what the formula is, and it will produce only confusion and resentment among the employer community.

The most difficult part of implementing the program—other than trying to keep it funded and authorized here and there, but I am talking about in the field—is trying to get employers to participate, to believe that it is not going to be a hassle, that they are not "buying a pig in a poke". The simpler, the better, in our view.

As I said, the key to cutting down on the dropout rate has to do with the counseling. And frankly, it is going to have to come from Labor. There is a 92-day wait period at VA Voc Rehab and Counseling to get an appointment for a 40-minute interview.

Senator **Rockefeller**. How long?

Mr. **Weidman**. 92 days; or, at least that was the average 60 days ago.

Senator **Rockefeller**. Average for what?

Mr. **Weidman**. To get an appointment with the voc——

Senator **Rockefeller**. In the country?

Mr. **Weidman**. Yes, sir.

Senator **Rockefeller**. Now, repeat that to me once again, so I can get it clearly.

Mr. **Weidman**. To get an appointment with the voc rehab and education counselor, to talk about your voc rehab problems, or about your educational problems. The average waiting list as of 60 days ago was reported as being 92 days, which is 3 months.

So, in other words, if you got placed on the Veterans' Job Training Act today, in order to get some counseling help over that first critical 90 days, you couldn't do it, because you would be 2 days over the 90 days before you could even get a first appointment.

So, the point about it is, from our point of view, is that most of it is going to have to be delivered from the Department of Labor. And it goes back to the VA-DOL working agreement, which in our view is not working. We noted that in our statement, in some of our suggestions about the revision of that under chapter 41 and tightening it up, forcing the VA and the Department of Labor to come back and report to you about what they have done, and how well have they monitored that agreement, so that one side knows essentially what the other side is doing and can do those cross-referrals on counseling.

Senator **Rockefeller**. I am going to interrupt you there, if I can, because I want to go to Dr. Miller. Do you mind?

Mr. **Weidman**. No, not at all, sir.

[The prepared statement of Mr. Weidman appears on p. 169.]

STATEMENT OF DR. RONALD L. MILLER, EXECUTIVE DIRECTOR, BLINDED VETERANS ASSOCIATION

Dr. MILLER. Thank you very much, Mr. Chairman.

I may say that Wilburn H. Long, our Director of Outreach Employment Program, was not able to be with us today.

I am Ronald L. Miller, Executive Director of the Blinded Veterans Association, and I am delighted to have the opportunity to appear before you today to talk about S. 999, which to me has some very special areas.

The BVA itself can support all of the issues within S. 999. In the light of some of the recommendations that have been made here today, we undoubtedly will be able to support some of the changes that may come down through the legislation.

The revision of chapter 41 of title 38 of the U.S. Code, in our opinion, is long overdue and will go a long way toward strengthening the delivery of the employment service to veterans in the various States. It will also enhance those programs. But, at the same time, it will develop a far greater working relationship between the Federal and the State agencies.

Of some of the specific items, we definitely support the uniform performance standards for the veterans staff in the State agencies.

I had the opportunity for 6 years to serve as the State Director for Veterans' Employment and Training in California under the Assistant Secretary Don Shasteen and his predecessor Bill Plowden. Under their leadership we were able to develop many new programs, and also begin to bring the programs that existed into line.

One of the problems that we had in the State of California was with the misuse or abuse of the veterans staff within the local offices. And it was a day-to-day constant battle—not that the administrative head or his central office subordinates were not in favor of obeying the law; it was the matter of the exigencies of staffing and budget at the local office that required, or at least the local office managers thought it required, their using or reassigning these full-time LVERs and DEVOPs to nonveteran activities. With the Assistant Secretary's support, in many cases we were able to recover funds that were used in nonappropriate manners.

But I heard today from the witness from California—and obviously I left that position to become Executive Director in September of 1985—it appears that the State of California, even with a small percentage of 4 or 5 percent of veteran activity by the veteran staff, is still not complying with the regulations.

Uniform performance standards that would delineate very carefully the performance that the LVER and the DEVOPs must do will go a long way toward taking care of that.

As I said in my written statement, I have some personal problems with the term "functionally responsible." I think, though, in light of what was said here today, that this will be looked at.

I, like Dennis Rhoades, was on board in the Department of Labor in 1976, when those March 2, 1976 Regs were published, and they do provide us with a much clearer definition of functional supervision, which we would like to see reinstated.

The allocation formula for the local veterans employment representatives is needed. Although, having to work with the State agency in California, I know that they are going to have problems with this kind of formula in those offices that, say, have more than 1,000 applications and/or more than 5,000 veteran population in the area, especially if that is going to mean putting another LVER on. It is going to take some very concerted effort by the Department of Labor and the State to work this out, and it may necessitate a greater allocation of funding.

In most cases, though, the Federal/State relationship works very well. I think these issues, once they are mandated through the revision of chapter 41, will go a long way to making the delivery of these services much stronger and will enhance the quality of the programs.

I was delighted to see that there is still a concern about extending the Veterans' Job Training Act. I think it is one of the strongest programs that has come down in recent years, when it was established as the Emergency Training Act of 1983, and I would like to see that continued.

In the beginning I did not have any reservations about the way the employer was reimbursed; however, in light of some of the statements today, we might want to take some serious look at that and come up with some adjustments.

I have not had an opportunity to visit the National Veterans' Employment and Training Institute; but, from what I have heard in my contacts, it is an excellent project and is well worthy of being established under statutory law. We would support it wholeheartedly.

I have no further comments, to make at this time. Again, thank you for the opportunity to appear before you. I would be glad to answer any questions.

Senator ROCKEFELLER. Dr. Miller, thank you very much.

[The prepared statement of Dr. Miller appears on p. 179.]

Senator ROCKFELLER. I am in the somewhat embarrassing position—which will not affect you, Bob, because I want to hear what you have to say—of having to leave in about 6 minutes. And I, being the only Senator here, will have to close it.

Let me just say, before I do, though, that a number of you on the different panels have brought up this question of lack of coordination between various programs with respect to employment and training. In fact, we have been working on that problem in the Finance Committee on the Trade bill, in terms of Trade Adjustment Assistance and the Job Training Partnership Act. That is a very, very valid point, and I just want those of you who were here and who are here to know that I am very committed to trying to make coordination work out for veterans.

It is true that we don't have it. We don't have it for dislocated or displaced workers in general. I mean, the TAA program is run out of one part of State government, and title III is run out of another part, and, you know, never the twain may meet or talk to each other. That has been generally so for programs serving dislocated workers, and it is obviously, even more true for veterans.

I think one of the things I have learned from this hearing this morning is that that coordination is tremendously important. One structures laws and life for things to work out, but human beings are as they are, and they are bound by paperwork. You know, we need more counselors, we need more of everything; and yet, budgets continue to go down, the debt goes up, and world trade problems get worse.

You know, the cycle is not a very happy one for the coming number of years, I would guess, in terms of money availability for whatever we have to do in this country—private or public. So, making the best possible coordination of what we do is, I think, really important.

So, I pledge to do everything I can, both on this committee and also on the Finance Committee to make veterans not only their usual priority but a special priority in terms of this general matter of, how do we work together to make sure that dislocated workers get trained, get counseled, and get put to work?

Having said that, Bob, you have got the last shot.

I am not going to have time for questions, but I will say this: Those whom I have mentioned who will have questions, and others who have written questions or any additional comments, please make an effort to get them in by what in fact amounts to this coming Monday. We do need that.

STATEMENT OF BOB MORAN, ASSOCIATE LEGISLATIVE DIRECTOR, PARALYZED VETERANS OF AMERICA

Mr. **Moran**. Thank you, Senator.

I will summarize my remarks, and on time.

On behalf of PVA, I want to thank you for allowing us the opportunity to appear here today. PVA supports S. 999, the Veterans' Employment and Training Amendments of 1987. We support Amendment No. 160.

I think, as has been discussed here this morning, the legislation would improve veterans employment, job training, counseling services, programs under chapter 41 of title 38. Additionally, the legislation extends the deadlines governing applications and entry into the VJTA Program.

I would like to add one last comment, in conclusion. PVA as a congressionally-chartered veterans service organization currently has employed veterans as national service officers.

Mr. Bourie pointed out in AMVETS' testimony that they were the only one that had veterans training, and PVA has joint suit in that. We have veterans participating under that program. We feel it has been successful, and it has helped us.

That concludes my remarks.

Senator **Rockefeller**. You are a friend. [Laughter.]

[The prepared statement of Mr. Moran appears on p. 183.]

Senator **Rockefeller**. I would say, too, that I think this has been a wonderful group of panels. You know, it doesn't always work that way. Sometimes the chemistry isn't right, but this has been a really good series of groups, incredibly substantive people, people who are totally involved in what they are doing, who want things to work out right. I like that. I mean, I try to work hard; but, when I see people who are really good at what they do, it makes me want to work harder. And you all have been that way this morning. I really appreciate it.

The hearing is adjourned.

[Whereupon, at 12:08 p.m., the hearing was adjourned.]

APPENDIX

100TH CONGRESS
1ST SESSION

S. 918

II

To amend title 38, United States Code, to make certain improvements in the educational assistance programs for veterans and eligible persons; to repeal the Education Loan Program; and for other purposes.

IN THE SENATE OF THE UNITED STATES

APRIL 3 (legislative day, MARCH 30), 1987

Mr. CRANSTON (by request) introduced the following bill; which was read twice and referred to the Committee on Veterans' Affairs

---

A BILL

To amend title 38, United States Code, to make certain improvements in the educational assistance programs for veterans and eligible persons; to repeal the Education Loan Program; and for other purposes.

Be it enacted by the Senate and House of R[illegible]sentatives of the United States of America in Congress assembled,

SHORT TITLE; REFERENCES TO TITLE 38, UNITED STATES CODE

SECTION 1. (a) This Act may be cited as the "Veterans' Educational Assistance Improvements Act of 1987".

(b) Except as otherwise specifically provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to or repeal of a section or other provision, the reference shall be considered to be made to a section or other provision of title 38, United States Code.

TITLE I—EDUCATIONAL ASSISTANCE PROGRAM IMPROVEMENTS

SEC. 101. (a) Section 1411(c)(1) is amended by striking out "at the time" and inserting in lieu thereof "within 14 days after the date".

(b) Section 1412(d)(1) is amended by striking out "at the time" and inserting in lieu thereof "within 14 days after the date".

SEC. 102. (a) Section 1508 is amended by striking out subsection (i) in its entirety.

(b) Section 1780 is amended by—

(1) striking out in subsection (d)(1) "or subsistence";

(2) striking out in subsection (d)(2) "or subsistence allowance, as appropriate,"; and

(3) striking out in subsection (e) "subsistence or".

SEC. 103. Section 1685(a) is amended by striking out the last sentence thereof.

SEC. 104. (a) Section 1788 is amended by—

(1) inserting in clause (B) of the first sentence of the matter following clause (6) of subsection (a) "(or two fifty-minute periods)" after "two hours"; and

(2) inserting in subsection (c) "(or two fifty-minute periods)" after "two hours".

(b) The amendments made by subsection (a) shall apply to any enrollment or reenrollment commencing on or after the date of enactment of this Act.

SEC. 105. Section 1793 is amended to read as follows:

"The Administrator may conduct a compliance survey of any institution offering one or more courses approved under the provisions of this chapter for the enrollment of eligible veterans or persons. Such compliance survey may be made whenever deemed by the Administrator to be appropriate and in the best interests of the United States Government to assure that the institution and approved courses are in compliance with applicable provisions of laws administered by the Veterans' Administration providing educational or vocational rehabilitation benefits.".

SEC. 106. Section 3013 is amended by inserting "32," after "31,".

TITLE II—REPEAL OF EDUCATION LOAN PROGRAM; TECHNICAL AMENDMENTS

SEC. 201. (a) Section 1662(a) is amended by—

(1) striking out paragraph (2) in its entirety; and

(2) redesignating paragraph (3) as paragraph (2).

(b) Section 1682A is repealed.

(c) Section 1686 is repealed.

(d) Section 1712 is amended by—

(1) striking out subsection (f); and

(2) redesignating subsection (g) as subsection (f).

(e) Section 1737 is repealed.

(f) Section 1738 is repealed.

(g) Subchapter III of chapter 36 is repealed in its entirety.

SEC. 202. (a) The table of sections at the beginning of chapter 32 is amended by striking out

"1631. Entitlement; loan eligibility."

and inserting in lieu thereof

"1631. Entitlement; payment of benefits.".

(b) The catch line at the beginning of section 1631 is amended by striking out "loan eligibility" and inserting in lieu thereof "payment of benefits".

(c) The table of sections at the beginning of chapter 34 is amended by striking out the following items:

"1682A. Accelerated payment of educational assistance allowances.
"1686. Education loans.".

(d) The table of sections at the beginning of chapter 35 is amended by striking out the following items:

"1737. Education loans.
"1738. Accelerated payment of educational assistance allowances.".

(e) The table of sections at the beginning of chapter 36 is amended by striking out:

"SUBCHAPTER III—EDUCATION LOANS TO ELIGIBLE VETERANS AND ELIGIBLE PERSONS

"1798. Eligibility for loans; amount and conditions of loans; interest rate on loans.
"1799. Revolving Fund; insurance.".

TITLE III—SAVINGS PROVISION

SEC. 301. Notwithstanding the provisions of section 201(g) of this Act—

(1) the Administrator is authorized, with respect to education loans made prior to the effective date of this Act, to continue to collect loan principal and interest due, and to declare and recover (or discharge) overpayments, pursuant to the provisions of section 1798, as such section was in effect on the day before the effective date of this Act; and

(2) the Veterans' Administration Education Loan Fund, established by former section 1799(a), shall continue to be maintained in the Treasury of the United States for deposit of the collections referred to in clause (1) of this section, and the Administrator is authorized to transfer all or any part of the monies contained therein to the appropriation for readjustment benefits, from time to time, to be used for the purposes of that appropriation.

○

II

100TH CONGRESS
1ST SESSION

S. 999

To amend title 38, United States Code, and the Veterans' Job Training Act to improve veterans employment, counseling, and job-training services and programs.

IN THE SENATE OF THE UNITED STATES

APRIL 9 (legislative day, MARCH 30), 1987

Mr. CRANSTON (for himself, Mr. MATSUNAGA, and Mr. DECONCINI) introduced the following bill; which was read twice and referred to the Committee on Veterans' Affairs

---

A BILL

To amend title 38, United States Code, and the Veterans' Job Training Act to improve veterans employment, counseling, and job-training services and programs.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; REFERENCE TO TITLE 38, UNITED STATES CODE.

(a) SHORT TITLE.—This Act may be cited as the "Veterans' Employment and Training Amendments of 1987".

(b) REFERENCES TO TITLE 38.—Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of title 38, United States Code.

SEC. 2. DISABLED VETERANS' OUTREACH PROGRAM SPECIALISTS.

Section 2003A(c) is amended in the matter preceding clause (1) by inserting "be functionally responsible to State Directors for Veterans' Employment and Training and Assistant State Directors for Veterans' Employment and Training and shall" after "shall".

SEC. 3. LOCAL VETERANS' EMPLOYMENT REPRESENTATIVES.

(a) IN GENERAL.—(1) Section 2004 is amended to read as follows:

"§ 2004. Local veterans' employment representatives

"(a)(1) The Secretary, acting through the Assistant Secretary for Veterans' Employment and Training, shall make available for use in each State, directly or by grant or contract, such funds as may be necessary to support the assignment of local veterans' employment representatives under this section.

"(2) Funds provided for use in a State under this subsection shall be sufficient to support the assignment of—

"(A) at least one full-time local veterans' employment representative in each local employment service office (i) at which one thousand veterans registered during the 12-month period ending on the most recent June 30, or (ii) which has a service area in which five thousand veterans reside. One additional such representative shall be assigned to such office for each additional fifteen-hundred veterans who registered at such office during such period or five thousand veterans who reside in such service area, whichever results in the assignment of the greater number of such representatives; and

"(B) in the case of each local employment service office at which less than one thousand veterans registered during such period and which has a service area in which less than five thousand veterans reside, an individual serving as a local veterans' employment representative on a part-time basis that bears the same proportion to full-time employment (rounded to the nearest one-eighth) as the number of veterans who registered during such period bears to one thousand or the number of veterans who reside in a service area bears to five thousand, whichever results in the higher fraction of full-time service.

"(3) Each local veterans' employment representative shall be a veteran. Preference shall be given in the assignment of such representatives to disabled veterans. If the Secretary finds that no disabled veteran is available for any such assignment, such assignment may be given to a veteran who is not a disabled veteran. The Secretary shall monitor the assignment of such representatives to ensure compliance with the provisions of this paragraph.

"(b) Local veterans' employment representatives shall be assigned, in accordance with this section, by the administrative head of the employment service in each State and shall be functionally responsible to State Directors for Veterans' Employment and Training and Assistant State Directors for Veterans' Employment and Training.

"(c)(1) Except as provided in paragraph (2) of this subsection, the services of local employment representatives shall be fully devoted to discharging the duties and functions prescribed for State Directors for Veterans' Employment and Training and Assistant Directors for Veterans' Employment and Training in section 2003 of this title.

"(2) The duties of local veterans' employment representatives shall include providing, or facilitating the provision of, counseling services to veterans who, pursuant to section 5(b)(3) of the Veterans' Job Training Act (Public Law 98–77; 29 U.S.C. 1721 note), are certified as eligible for participation under such Act.".

(2) The item relating to such section in the table of sections at the beginning of chapter 41 is amended to read as follows:

"2004. Local veterans' employment representatives.".

(b) EFFECTIVE DATE.—(1) Except as provided in paragraph (2), the amendments made by subsection (a) shall take effect on the date of the enactment of this Act:

(A) Paragraphs (1) and (2) of subsection (a) of section 2004 of title 38, United States Code (as added by the amendment made by subsection (a)(1)) shall take effect on October 1, 1987.

(B) Paragraph (3) of such subsection (as so added) shall take effect with respect to assignments made after the thirtieth day following the date of enactment of this Act.

(2) BUDGETING.—Section 2006(a) is amended—

(A) in the fifth sentence—

(i) by inserting "and the assignment of local veterans' employment representatives under section 2004 of this title" after "title"; and

(ii) by striking out "section" and inserting in lieu thereof "sections"; and

(B) by amending the sixth sentence to read as follows: "Each budget submission with respect to such funds shall include separate listings of the proposed number, by State, of disabled veterans' outreach program specialists appointed under section 2003A of this title and local veterans' employment representatives assigned under section 2004 of this title, together with information demonstrating the compliance of such budget submission with the funding requirements specified in the preceding sentence.".

SEC. 4. PERFORMANCE OF LOCAL VETERANS' EMPLOYMENT REPRESENTATIVES AND DISABLED VETERANS' OUTREACH SPECIALISTS.

(a) Chapter 41 is amended by inserting after section 2004 the following new section:

"§ 2004A. Performance of disabled veterans' outreach program specialists and local veterans' employment representatives

"(a)(1) The Secretary shall develop, and provide for the implementation and application of, standards for the performance of disabled veterans' outreach specialists appointed under section 2003A of this title and local veterans' employment representatives assigned under section 2004 of this title and shall monitor the activities of such specialists and representatives.

"(2) Such standards shall be designed to provide for—

"(A) in the case of such specialists, the effective performance at the local level of the duties and functions of such specialists under section 2003A (b) and (c) of this title,

"(B) in the case of such representatives, the effective implementation at local level of the duties and functions of such representatives under section 2004(c) of this title, and

"(C) the monitoring and rating activities prescribed by subsection (b) of this section.

"(b)(1) State Directors of Veterans' Employment and Training and Assistant State Directors of Veterans' Employment and Training shall regularly monitor the performance of such specialists and representatives through the application of such standards.

"(2) An Assistant State Director of Veterans' Employment and Training shall formally participate (by submitting recommendations and comments) in each annual performance rating of a local veterans' employment representative.".

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 41 is amended by adding at the end the following:

"2004A. Performance of disabled veterans' outreach specialists and local veterans' employment representatives.".

SEC. 5. INFORMATION REGARDING POTENTIAL EMPLOYERS.

Section 2005 is amended—

(1) by inserting "(a)" before "All"; and

(2) by adding at the end the following new subsection:

"(b) For the purpose of assisting the Secretary and the Administrator in identifying employers with potential job training opportunities under the Veterans' Job Training Act

(Public Law 98–77; 29 U.S.C. 1721 note) and otherwise in order to carry out this chapter, the Secretary of Defense shall provide to the Secretary of Labor and to the Administrator (1) not more than thirty days after the date of the enactment of this subsection, the then-current list of employers participating in the National Committee for Employer Support of the Guard and Reserve, and (2) thereafter, on the fifteenth day of each month, updated information regarding the list.".

SEC. 6. CLARIFICATION OF RESPONSIBILITIES OF EMPLOYMENT SERVICE PERSONNEL.

(a) STATE AND ASSISTANT STATE DIRECTORS FOR VETERANS' EMPLOYMENT AND TRAINING.—Section 2003(c) is amended—

(1) in clause (1), by inserting ", including the program conducted under the Veterans' Job Training Act (Public Law 98–77; 29 U.S.C. 1721 note)" after "programs"; and

(2) in clause (2) by inserting "and otherwise to promote the employment of eligible veterans and eligible persons" after "opportunities".

(b) DISABLED VETERANS' OUTREACH PROGRAM SPECIALISTS.—Section 2003A(c) is amended—

(1) in clause (4) by inserting "(including part C of title IV of the Job Partnership Act (29 U.S.C. 1501 et. seq.))" after "programs";

(2) in clause (6), by inserting "(including the program conducted under the Veterans' Job Training Act (Public Law 98-77; 29 U.S.C. 1721 note))" after "programs"; and

(3) by adding at the end the following new clause:

"(9) Provision of counseling services to veterans with respect to veterans' selection of and changes in vocations and veterans' vocational adjustment.".

SEC. 7. NATIONAL VETERANS' EMPLOYMENT AND TRAINING SERVICES INSTITUTE.

(a) ESTABLISHMENT OF INSTITUTE.—Chapter 41 is further amended by adding at the end the following new section:

"§ 2011B. National Veterans' Employment and Training Service Institute

"In order to provide for such training as the Secretary considers necessary and appropriate for the efficient and effective provision of employment, job training, placement, and related services to veterans, the Secretary shall establish and operate a National Veterans' Employment and Training Service Institute for the training of disabled veterans' outreach program specialists, local veterans' employment representatives, and State and Assistant State Directors for Veterans' Employment and Training, and such other personnel involved in the provision of employment, job training, placement, or related services as the Secretary considers appropriate.".

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 41 is further amended by adding at the end the following new item:

"2011B. National Veterans' Employment and Training Service Institute.".

SEC. 8. SHARING OF INFORMATION REGARDING EMPLOYERS.

Section 2008 is amended—

(1) by inserting "(a)" before "In"; and

(2) by adding at the end the following new subsection:

"(b) The Administrator shall require each regional office of the Veterans' Administration to provide to appropriate employment service offices and Department of Labor offices, as designated by the Secretary, on a monthly or more frequent basis the names and addresses of employers located in the area served by such regional office that offer a program of job training which has been approved by the Administrator under section 7 of the Veterans' Job Training Act (Public Law 98–77; 29 U.S.C. 1721 note).".

SEC. 9. VETERANS' JOB TRAINING ACT AMENDMENTS.

(a)(1) PAYMENTS TO EMPLOYERS.—The second sentence of section 8(a)(1) is amended to read as follows: "Subject to section 5(c) and paragraph (2), the amount paid to an employer on behalf of a veteran shall be—

"(A) in the case of a program of job training of four or more months duration—

"(i) for the first four months of such program, 30 per centum of the product of (I) the starting hourly rate of wages paid to the veteran by the employer (without regard to overtime or premium pay), and (II) the number of hours worked by the veteran during such months;

"(ii) for any period after the first four months, 50 per centum of the product of (I) the actual hourly rate of wages paid to the veterans by the employer (without regard to overtime or premium pay), and (II) the number of hours worked by the veteran during that period; and

"(iii) upon the veteran's successful completion of the program, the amount that would have been paid, above the amount that was paid, for such first four months pursuant to subclause (i) if the percentage specified in subclause (i) of this clause were 50 per centum rather than 30 per centum; and

"(B) in the case of a program of job training of less than four months duration—

"(i) for the months prior to the final scheduled month of the program, 30 per centum of the product of (I) the starting hourly rate of wages paid to the veteran by the employer (without regard to overtime or premium pay), and (II) the number of hours worked by the veteran during the months prior to such final scheduled month;

"(ii) for the final scheduled month of the program, 50 per centum of the product of (I) the actual hourly rate of wages paid to the veteran by the employer (without regard to overtime and premium pay), and (II) the number of hours worked by the veteran during that month, and

"(iii) upon the veterans' successful completion of the program, the amount that would have been paid, above the amount that was paid, for the months prior to the final scheduled month of the program pursuant to subclause (i) of this subclause if the percentage specified in subclause (i) were 50 percent rather 30 per centum.

(b) COUNSELING—Section 14 of such Act is amended by striking out subsection (b) and inserting in lieu thereof the following:

"(b) The Administrator and the Secretary shall jointly provide for—

"(1) a program under which a case manager is assigned to each veteran participating in a program of job training under this Act and periodic (not less than monthly) contact is maintained with each such veteran for the purpose of (A) avoiding unnecessary termination of employment, (B) referring the veteran to appropriate counseling, if necessary, and (C) facilitating the veteran's successful completion of such program;

"(2) a program of counseling services (to be provided pursuant to subchapter IV of chapter 3 of this title and sections 612A, 2003A, and 2004 of this title) designed to resolve difficulties that may be encountered by veterans during their training under this Act; and

"(3) a program of information services under which (A) each veteran who enters a program of job training under this Act and each employer participating under this Act is informed of the supportive services and resources available to the veteran (i) through Veteran's Administration counseling and career development activities (especially, in the case of a Vietnam-era veteran, readjustment counseling services under section 612A of title 38, United States Code) and under part C of title IV of the Job Training Partnership Act (29 U.S.C. 1501 et seq.) and (ii) through other appropriate agencies in the community, and (B) veterans and employers are encouraged to request such services whenever appropriate.

"(c) Before a veteran who voluntarily terminates from a program of job training under this Act or is involuntarily terminated from such program by the employer may be eligible to be provided with a further certificate, or renewal of certification, of eligibility for participation under this Act, such veteran must be provided by the Administrator with appropriate vocational counseling in light of the veteran's termination.".

(c) CONFORMING AMENDMENT.—Section 5(b)(3)(A) of such Act is amended by striking out "The" at the beginning of the first sentence and inserting in lieu thereof "Subject to section 14(c), the".

(d) DATA ON PARTICIPATION.—Section 15 of such Act is amended by adding at the end the following new subsection:

"(f) The Secretary shall, not less frequently than a quarterly basis, collect from the heads of State employment security agencies and State Directors for Veterans' Employment and Training information available to such heads and Directors, and derived from programs carried out in their respective States, with respect to the numbers of veterans who receive counseling services pursuant to section 14, are referred to employers participating under this Act, participate in programs of job training under this Act, and complete such programs.

SEC. 10. REVISIONS OF NOMENCLATURE.

(a) SECRETARY OF LABOR.—(1) Section 2001 is amended by adding at the end the following new paragraph:

"(7) The term 'Secretary' means the Secretary of Labor.".

(2) Sections 2002A, 2003(a), 2003A(a)(1) and (d), 2005(a) (as redesignated by the amendment made by section 5(1), 2006(a), 2007, 2008(a) (as redesignated by the amendment made by section 8(1)), 2009 and 2010(b) are amended by striking out "Secretary of Labor" each place it appears and inserting in lieu thereof "Secretary".

(b) ASSISTANT SECRETARY OF LABOR FOR VETERANS' EMPLOYMENT AND TRAINING.—(1) Sections 2000, 2002, 2003A(a) (1), (3), and (5) and (d), 2006 (a) and (d), 2009(a)(1), and 2010(b) are amended by inserting "and Training" after "Assistant Secretary of Labor for Employment" each place it appears.

(2)(A) The heading of section 2002A is amended to read as follows:

"§ 2002A. Assistant Secretary of Labor for Veterans' Employment and Training".

(B) The item relating to such section in the table of sections at the beginning of chapter 41 is amended to read as follows:

"2002A. Assistant Secretary of Labor for Veterans' Employment and Training.".

(c)(1) STATE AND ASSISTANT STATE DIRECTOR FOR VETERANS' EMPLOYMENT AND TRAINING.—Section 2003 and 2003A(b)(2) are amended by inserting "and Training" after "State Director for Veterans' Employment" and "Assistant State Director for Veterans' Employment", respectively, each place those terms appear.

(2)(A) The heading of section 2003 is amended to read as follows:

"§ 2003. State and Assistant State Directors for Veterans' Employment and Training".

(B) The item relating to such section in the table of sections at the beginning of chapter 41 is amended to read as follows:

"2003. State and Assistant State Directors for Veterans' Employment and Training.".

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VETERANS AFFAIRS
OPENING STATEMENT
SENATOR BOB GRAHAM
April 30, 1987

Mr. Chairman, I am pleased to have both the opportunity to cosponsor S. 999 as amended and to hear testimony from the distinguished representatives who have joined us today.

The "Veterans' Employment and Training Amendments of 1987" provide the Congress an important opportunity to strengthen and improve the job counseling and training services currently provided to veterans.

Veterans depend on this program. And they are depending on us to see that the program is efficient, effective and adequately funded. The legislation on which we are receiving testimony today meets those objectives.

First, S. 999 improves efficiency and accountability by requiring that the Local Veterans' Employment Representative (LVER) and Disabled Veterans' Outreach Program specialist (DVOP) be functionally responsible to the Department of Labor's State Director. By doing so, we enhance our ability to more closely monitor their performance and insure that the needs of veterans are being met.

Second, this legislation requires that the Secretary of Labor establish and implement uniform performance standards for these employment specialists.

Third, S. 999 codifies the National Veterans' Training Institute, which provides extremely useful training for veterans employment and training (VETS) personnel.

Moreover, in regards to the Veterans' Job Training Act (VJTA), which targets long-term unemployed Vietnam-ear and Korean-conflict vets, these amendments reauthorize the Act for an additional two years. And at funding levels which will assure program stability.

The legislation also provides improved counseling. Although VJTA has met many of its objectives, some 40 percent of participants fail to complete their job-training programs.

We simply must do a better job in this area. And we can do so by renewing our emphasis on counseling.

Mr. Chairman, I am proud to be a cosponsor of this legislation and I look forward to hearing today's testimony. I also welcome the opportunity to receive views on S. 918, the Administration's proposed "Veterans' Educational Assistance Improvement Act of 1987."

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STATEMENT OF
SENATOR FRANK H. MURKOWSKI (R-AK)

HEARING OF THE COMMITTEE ON VETERANS' AFFAIRS
ON
EMPLOYMENT AND EDUCATION LEGISLATION

GOOD MORNING MR. CHAIRMAN, I AM PLEASED TO BE HERE THIS MORNING.

EMPLOYMENT IS ONE OF THE MOST FUNDAMENTAL ELEMENTS OF LIFE. A PERSON WITH A JOB HAS A HEAD START ON ANY PROBLEM HE OR SHE FACES, OR ANY OPPORTUNITY HE OR SHE WISHES TO PURSUE. A PERSON WITHOUT A JOB STARTS FROM BEHIND IN ADDRESSING ALMOST EVERY SEGMENT OF LIFE.

EMPLOYMENT IS IMPORTANT FOR EVERYONE, BUT IT IS PARTICULARLY IMPORTANT FOR VETERANS. VETERANS HAVE, THROUGH THEIR SERVICE, DONE MUCH TO PRESERVE THE DEMOCRATIC GOVERNMENT AND MARKET ECONOMY UPON WHICH WE ALL DEPEND FOR POLITICAL FREEDOM AND ECONOMIC OPPORTUNITY.

I AM PARTICULARLY PLEASED THAT STATISTICS ON EMPLOYMENT SHOW THAT VIETNAM-ERA VETERANS NOW ENJOY AN EMPLOYMENT RATE HIGHER THAN NON-VETERANS THEIR SAME AGE.

In looking for the basis for this success I think the country need look no further than to many of the individuals in this room. Senator Thurmond successfully pushed for legislation which elevated the status of veterans employment in the Department of Labor. Our distinguished Chairman, Senator Cranston has placed constant emphasis on employment. Veterans' employment programs have been forcefully implemented by the Veterans' Employment and Training Service under the leadership of Don Shasteen. Employment Service staff in the field have worked in the trenches to place veterans in jobs. And of course, the veterans' service organizations have contributed advice, interest, and support. All have contributed to the success of veterans employment programs.

I am proud to have been a part of that success and I look forward to working with my colleagues, the Department of Labor, the State Employment Services and the Veterans' organizations, in developing a long term strategy to ensure that veterans obtain the best readjustment benefit available---a long term job.

Thank you Mr. Chairman.

STATEMENT OF R. J. VOGEL
CHIEF BENEFITS DIRECTOR
VETERANS ADMINISTRATION
BEFORE THE
COMMITTEE ON VETERANS' AFFAIRS
UNITED STATES SENATE
April 30, 1987

Mr. Chairman and members of the Committee:

I appreciate the opportunity to be here today to provide you with our views on recently introduced legislation, S. 918 and S. 999.

Mr. Chairman, I would first like to provide you with our comments on S. 999, which is a bill to amend title 38, United States Code, and the Veterans' Job Training Act to improve veterans' employment and counseling, as well as job training services and programs.

Mr. Chairman, at the outset, we would stress that the Administration opposes extension of the Veterans' Job Training Act (VJTA).

The findings of the congressionally-mandated study of the VJTA, conducted by Centaur Associates, Inc., show that the program has had mixed results. While there appears to be a short-term effect on earnings and employment for those who complete training, the dropout rate remains very high. Only 40 percent actually completed training. Programs administered by the Department of Labor under the Job Training Partnership Act (Titles IIA and III) have completion rates of approximately 70 percent. A GAO survey showed that the Title III program for dislocated workers results in new employment for 69 percent of the participants, with an average starting wage of $6.93 per hour for veterans served.

Labor Department statistics indicate that the unemployment rates of Korean and Vietnam era veterans whom the VJTA was designed to help have fallen and stayed below the unemployment rates of nonveterans.

Please note that the figures that follow are "not seasonally adjusted" figures. In March of 1987, the umemployment rate for all veterans stood at 5.9 percent and 6.6 percent for non-veterans. Looking more specifically at age categories, we find that for Vietnam era veterans in the age category 35 to

39, the unemployment rate is 5.5 percent. For nonveterans in the 35 to 39 category, the rate is 6.0 percent.

The Labor Department statistics on unemployment rates show that there is no longer a need for a separate job training program for veterans. Moreover, the Administration has proposed a $1 billion job training program for dislocated workers that will certainly serve a large number of veterans. Accordingly, for the reasons stated, the Administration opposes extension of the VJTA. Therefore, we oppose the provisions in sections 3 and 9 of S. 999 which would amend the VJTA.

Mr. Chairman, section 2 of the bill would require that Disabled Veterans' Outreach Program (DVOP) specialists be functionally responsible to the State Directors and Assistant Directors for Veterans' Employment and Training (SDVET's and ASDVET's). Since the DVOP program is under the jurisdiction of the Department of Labor, we would defer to that agency for comment.

Section 3 of the bill would make a series of amendments to provide for more effective utilization of Local Veterans' Employment Representatives (LVER's). One provision would require that the Assistant Secretary for Veterans' Employment and Training provide one LVER for each local employment service office at which 1,000 veterans registered during the 12-month period ending on the most recent June 30, or has a service area in which 5,000 veterans reside.

A second provision under section 3 of the bill would require each LVER hired 30 or more days after enactment to be a veteran, with hiring preference given to disabled veterans. A third provision would require that LVER's be functionally responsible to SDVET's and ASDVET's. Section 3 would also require LVER's to discharge their duties so that they provide services to veterans exclusively. In addition, this section would require the Secretary of Labor to approve the estimate of funds for LVER's only if it complies with the funding formula required by the proposed LVER staffing formula. Since these areas are under the jurisdiction of the Department of Labor, we would defer to that agency for comment.

There is a provision of section 3 which more directly concerns the Veterans Administration. It would require that LVER's provide or facilitate the provision of counseling services to veterans certified for eligibility under the VJTA. The VA has already counseled over 27,000 VJTA-eligible veterans and we will continue to work closely with the Department of Labor, the Job Services and LVER's and DVOP's to facilitate the process of counseling such veterans. As we stated, we oppose extension of the VJTA, so we oppose this provision consistent with our position.

Section 4 of the bill would require the Secretary of Labor to establish and implement uniform performance standards for DVOP's and LVER's. It would also require that an ASDVET formally participate in the formulation of annual performance ratings of LVER's under their jurisdiction. We defer to the Department of Labor for comment on these areas.

Section 5 of the bill would require that the Secretary of Defense provide to the Secretary of Labor and the Administrator of Veterans' Affairs the current list of employers participating in the National Committee for Employer Support of the Guard and Reserve (NCESGR), as well as an updated NCESGR list on a monthly basis. This should not be mandated in the law.

Section 6 of S. 999 contains other provisions clarifying the responsibilities of employment service personnel in each of the fifty states. One provision, section 6(a)(2), would amend

38 USC 2003 by including the promotion of employment of eligible veterans and other eligible persons as a requirement of the ASDVET's and SDVET's. Within the context of chapter 41 of title 38, section 2003(c)(2), this amendment would reinforce the mandate for coordination between the Labor Department's VETS and the VA. Specifically, "maximum coordination" would be required in the conduct of job fairs, job marts, "other special programs" to match eligibles with jobs and training opportunities, and programs and initiatives to promote the employment of eligibles.

Section 6(b)(3) would amend 38 USC 2003A(c) to add a new clause. This new language would have DVOP's provide counseling services to veterans with respect to the veterans' selection of and changes in vocations and veterans' vocational readjustment. We see the DVOP function as primarily concerned with information dissemination. We do want to stress, however, that we want to cooperate as much as possible with the Department of Labor in accommodating any referral from DVOP's which require the counseling services as we understand them.

Section 7 of the bill would establish a National Veterans' Employment and Training Service Institute. We understand that this provision would codify and enhance an existing facility, the National Veterans' Training Institute, which is located in Denver, Colorado, and set up by the Assistant Secretary for Veterans' Employment and Training. We defer to the Department of Labor for comment on this section.

Section 8 of S. 999 would require the VA to mandate that each VA regional office provide to appropriate public employment service offices and Department of Labor offices, as designated by the Secretary of Labor, a listing. This listing, on a monthly or more frequent basis, would include the names and addresses of employers who offer an approved program of job training under the VJTA.

Mr. Chairman, we have no problem with such notification and make notifications now on new and amended approvals.

Mr. Chairman, for the reasons previously stated, the Administration opposes extension of the VJTA; accordingly, we oppose section 9 which would amend that Act. However, we would appreciate the opportunity to provide a written analysis of such amendments at a later date.

Mr. Chairman, you have also asked for our comments on S. 918, the proposed "Veterans' Educational Assistance Improvements Act of 1987," which you introduced on our behalf on April 3, 1987. Title I of this measure contains a number of changes to our educational programs; title II would repeal the Agency's authority to make education loans to veterans and other eligible persons; and title III contains a savings provision relating to the repeal of the education loan program.

The measure would amend the New GI Bill-Active Duty (chapter 30 of title 38, United States Code) to authorize a 2-week period after the date of an individual's initial entry on active duty within which that individual may elect not to receive chapter 30 education benefits. Currently, the law is unclear as to how much time the individual actually has to make this election after entry on active duty. Unless an affirmative election not to participate is made, the individual automatically becomes a participant in the New GI Bill program. We believe that a 2-week period from entry on active duty should be allowed for making this important decision.

S. 918 would also eliminate authorization for advance payment of subsistence allowances under chapter 31 to certain eligible veterans. These advance payments are intended to assist veterans in paying a portion of tuition and fees required prior to commencement of training, as well as to help to meet living expenses during initial periods of training. However, since the VA already pays all of a chapter 31 participant's training costs and since the participant is also eligible for advances from the Revolving Fund under section 1512 of that chapter, additional advance payments under chapter 31 are not justified. These advance payments also result in increased overpayments in some cases.

Under current law, an individual participating in the veteran-student services program is entitled to receive an advance payment equal to 40 percent of the total payable under his or her work-study agreement. Upon completion of the work specified in the agreement covering the advance payment, the individual receives payment of the remainder on an incremental basis. Unfortunately, this provision has engendered overpayments, totaling $637,129 during Fiscal Year 1986 alone. Collection often is not feasible because the debtor has dropped out of school. Moreover, the relatively small size of each individual overpayment makes its enforced collection generally not cost-effective. S. 918 would eliminate the provision for advance payment of the work-study allowance to the veteran-student.

The bill would also amend chapter 36 of title 38 to provide that, for purposes of measuring training time, the term "standard class session" means 2 hours or "two fifty-minute periods" of laboratory instruction. In the main, institutions of higher learning have modified their periods of instruction to 50 minutes for laboratory sessions. Under current law, however, a "standard class session" of laboratory instruction is defined only as 2 hours of such instruction. This can result in entitlement to payment for less than full-time training for pursuit of the 50-minute lab sessions, even though a veteran might be a full-time student, and has caused overpayments. The amendment would eliminate this problem.

The bill would amend the chapter 36 requirement for annual compliance surveys at each educational institution that offers one or more approved courses in which 300 or more veterans are enrolled, or which offers courses which do not lead to a standard college degree. This amendment would eliminate any reference to the numerical guidelines which currently exist and allow the Administrator to conduct compliance surveys at any institution whenever appropriate and in the best interest of the Government. In this manner, personnel can more effectively and efficiently be used where the need is greatest.

The bill makes a technical amendment to chapter 51 to require that award effective dates under chapter 32 correspond, to the extent feasible, with those for other programs.

Finally, as already noted, S. 918 would provide for the amendment or repeal of various sections of title 38 which authorize the VA to make education loans, including accelerated payments, to veterans and eligible persons. Notwithstanding this repeal, the Administrator would continue to collect the principal and interest on those loans which are outstanding, as well as any overpayments made under the program.

The VA education loan program has an excessively high default rate of 75 percent. In 1981, the Congress addressed the problem through greatly reducing the scope of the loan program. Since that time, the number of loans made has continued to decline, and we now believe that all authority of the VA to make education loans should be removed.

Additionally, provisions of S. 918 would rescind the VA's inoperative authority to make accelerated payments of educational assistance allowances. These accelerated payments were made contingent upon the states' establishment, before November 24, 1982, of programs which would pay the VA amounts which matched these accelerated payments. No state complied with this matching fund requirement and the program has now expired.

Technical amendments within this bill would delete all title 38 references to education loans consistent with the foregoing paragraphs. However, the "Veterans' Administration Education Loan Fund" would continue to be maintained in the U.S. Treasury to allow continued use of the education loan program's existing accounting system. The Administrator would be authorized to transfer all or part of these monies to the appropriation for readjustment benefits as necessary for the purposes of that account.

We appreciate your introduction of our bill, Mr. Chairman, and urge the Committee's favorable action on S. 918.

Mr. Chairman, that concludes my formal statement. I would be pleased to respond to any questions you or members of the Committee may have.

STATEMENT OF DONALD E. SHASTEEN
ASSISTANT SECRETARY FOR
VETERANS' EMPLOYMENT AND TRAINING
BEFORE THE
UNITED STATES SENATE
COMMITTEE ON VETERANS' AFFAIRS

April 30, 1987

Mr. Chairman and Members of this Subcommittee:

Thank you for this opportunity to appear today to discuss legislation to amend Chapter 41, Title 38 United States Code, S. 999, the Veterans' Employment, Training and Counseling Amendments of 1987.

Mr. Chairman, we believe that the increased costs and reporting burdens of several of the provisions of S. 999 outweigh any benefits that would be gained. There are, however, measures which we support and believe are beneficial to veterans seeking jobs or training and which will not significantly increase our cost or require legislation.

We oppose section 3 of the bill which would significantly increase the number of Local Veterans' Employment Representatives (LVERs) and the budget required to support them. This section would result in distributing positions based on resident population rather than workload. Also, it appears that these amendments would result in the Federal government directly intervening into state personnel performance reviews and administrative management activities of State operations.

The formula proposed would require one LVER for each local employment service office at which 1,000 veterans were registered during the 12 month period ending on this most recent June 30, or which has a service area in which 5,000 veterans reside. One additional LVER would be required for each additional 1500 veterans registered or 5,000 veterans residing in the service area, whichever results in the assignment in the greater number of LVERs. For every local office that has less than 1,000 veterans registered or fewer than 5,000 veterans residing in the service area, part-time LVER would be assigned in proportion to the full-time LVERs formula.

There are over 2,000 Job Service Offices located throughout the United States; many particularly in metropolitan areas, do not have well defined service area boundaries. Applicants frequently visit a local office based upon the quality of service and types of jobs available at that office rather than their residential proximity to a local office.

Therefore, it would be difficult, if not impossible, to accurately count the number of veterans residing in a local office service area since these areas do not conform to census boundaries. Reliable population estimates do not exist now, would be costly to produce, and would require many months to develop.

Another problem in using veterans population as a factor in the LVER formula is that population is not a good micro-measure of the demand for employment services or individuals' attachment to the labor market. That is, whereas one may assume with a high degree of certainty that where hundreds of thousands of veterans reside there is a general need for services, there is no data that strongly supports the supposition that where there are a few thousand residents there is need for the specific services of an LVER. Indeed, using the number of veterans residing in a service area can disproportionately inflate the number of LVERs in favor of states with large populations of retired veterans.

For these reasons, I believe the formula must be based on workload and not populations. Furthermore, I believe that the current and projected assignments of LVERs is adequate to meet the mandates of Title 38. Our local office evaluations suggest to us that the support of the concept of priority for veterans by State agency management is a more significant contributor to the employment of veterans than is the number of LVERs assigned.

Mr. Chairman, Section 4 of the proposed amendments requires that an Assistant State Director Veterans' Employment and Training Service (ASDVETS) formally participate in the LVER performance appraisal process. We believe that such involvement in State agency merit system practices is impractical and would not result in improved services to veterans. SDVETS and ASDVETS currently monitor local office activities and review LVERs performance. Their evaluation reports contain good indications of whether or not LVERs are performing satisfactorily, and may be used by an LVERs supervisor in the rating process. We believe that the annual performance rating is a State agency management function, should not be the responsibility of the federal government, and joint responsibility is unworkable.

The provisions of section 4 which would require the development and implementation of specific standards of performance for DVOP and LVER staff, however, are positive in intent and could be carried out successfully. Without introducing direct Federal involvement in the evaluation process of individuals, we propose to develop prototype standards and tailor them to meet each State's merit system requirements through negotiation with our State Directors Veterans' Employment and Training Service. This goes one step beyond our current grantor-grantee relationships, and is a feasible approach to ensuring program quality through individual DVOP and LVER performance.

Section 5 requires the Secretary of Defense to provide to the Secretary of Labor a current list of the employers participating in the National Committee for Employer Support of the Guard and Reserve and thereafter monthly updates. To be useful this information would need to be broken down to state and substate areas. Generally, this information is available to the Veterans' Employment and Training Service staff at the local level, and therefore we do not see the need for this provision. I am sure the Department of Defense would cooperate in providing such lists if requested by the Secretary.

Section 7 of the amendments requires the establishment and operation of a national training institute to train DVOP, LVER, and State and Assistant State Directors for VETS staff in the provision of employment, job training, placement, counseling, or related services to veterans. This provision is unnecessary.

As you know, the VETS operates, through a grant to the State of Colorado, the National Veterans Training Institute (NVTI), which trains DVOPs, LVER and other State agency staff to provide such services, following the "whole person" concept. One of our objectives in FY 1987 is to explore additional funding sources including other agencies and veterans programs. The states voluntarily send their staff to this training which helps to ensure high quality and uniformity in the delivery of national veterans employment programs by the 52 state entities.

Mr. Chairman, section 9 concerns itself with the Veterans Job Training Act (VJTA). I understand what the committee is endeavoring to accomplish. However, as I indicated in testimony before the House of Representatives Committee on Veterans Affairs on March 18, I believe that this program which was to address the extraordinary levels of severe and continuing unemployment among Korean and Vietnam veterans has accomplished the purpose for which the legislation was enacted. The month prior to the enactment of EVJTA, the unemployment rate (not seasonally adjusted) for all Vietnam veterans was 9.1% while that for non-veteran adults in the same age span was 8.4%. Today the picture has improved considerably. The most recent data (March, 1987) shows that while the Vietnam veteran unemployment rate was 5.5% the unemployment rate for non-veterans in the same age group was 5.6%. We therefore feel that this program is no longer necessary to address the level of unemployment among veterans. In addition, the added reporting burden on the States required by this section would be expensive and difficult to implement within the required time frames. For these reasons, and because of the recent legislation proposed by the Administration that will serve unemployed veterans as well as other dislocated workers, the Administration is not requesting or recommending that the VJTA program be extended.

Mr. Chairman, as I stated earlier in my testimony, I believe there are some actions that we can take that are consistent with this proposal which would strengthen implementation of Title 38, such as the addition of counseling to the service provided by LVERs and DVOPs. I believe we have to ensure counseling is available at the local office. I believe that properly trained DVOP and LVERs can provide this service. For this reason I have directed the development of a counseling module at the National Veterans Training Institute. We can do this within current law and budget and this will provide the improved service to veterans that these amendments are seeking.

Once again, thank you Mr. Chairman for allowing me to express my views regarding the proposed Veterans' Employment and Training Amendments of 1987.

Testimony of Mr. Augustin Hernandez
Before the Senate Veterans' Affairs Committee
April 30, 1987

Mr. Chairman, it is my privilege to appear before the distinguished members of this committee to comment on veterans training and employment.

I am Augustin Hernandez, owner of Hernandez Electric Company of Phoenix, Arizona. The firm operates as an independent electrical contracting company. As an electrical contractor I am involved on a daily basis with the employment of skilled and unskilled workers and their training. It is from this perspective that I make my remarks. I have employed 11 veterans under the Veteran Job Training Act (VJT) and currently have four working, all of whom have been promoted and are in lead positions. In addition, several veterans have been able to gain higher paying jobs within the industry as a result of VJT training with my company.

My testimony will focus on two distinct aspects of veterans employment and training; first, the need to continue and to improve the VJT program and second, the improvement of the support structures for VJT.

Primary to any business venture is the need for operating capital. VJT has run short of money. This has caused delays in payment and a slowdown in recruiting veterans into VJT. This in turn has led to reticence on the part of employers to use VJT. With the $30 million in the basic bill, the first remedial step has been taken. The amendment for additional funding offered by my Senator, Mr. DeConcini, and co-sponsored by you, Mr. Rockefeller and Mr. Matsunaga will add considerably to the assurances business people need to "buy" back into the program.

In order to improve the success rate of veterans completing training and remaining on the job, communication between the employer and veteran must be enhanced. Both the veteran and the employer have to be aware of each other's needs. All too often, minor misunderstandings erupt into dismissal of an employee or an employee's quitting. Both situations may possibly have been prevented by the two parties talking to each other. In the bill, job counseling and case management are key points. I would suggest they are critical points. Job counseling must be two-fold. It must occur both before employment but more importantly, during post-employment follow-up. The veterans' representative needs to know more than cursory information about the veteran and employer in order to conduct in-depth discussions. The case management system makes this possible. Then, if the veterans' representative makes meaningful periodic follow-up visits to employers, unnecessary dismissals or quits could be prevented.

The LVER/DVOP must have the training to recognize the various situations and have the skill to mediate between the participants. I strongly support the training of veteran staff in those inter-personal relations that enables them to be both a good monitor and mediator. A national institute for counselor training would insure that veterans' representatives will receive a uniform curriculum that is broad in scope. Also, the institute would allow student exposure to resources which might not be available to individual state training programs.

The second aspect I want to emphasize is the improvement of support structures for the VJT program. In addition to training, I endorse the change requiring that the LVER be a veteran. In many areas, especially in small communities, the LVER is considered to be the veterans' advocate on a host of issues including employment and training. In these locales, the strongest supporters for veterans are the veteran service organizations. While non-veterans may be allowed access to the organizations, they are not readily or completely accepted whereas the veteran is easily accepted.

I support the additional LVER positions for metropolitan areas as long as the smaller and rural offices are not adversely impacted. We need to make sure that if a reduction in the veteran staff becomes necessary, the smaller or rural offices would not be eliminated at the expense of the larger metropolitan staffs.

I recommend the emergency clause for service to non-veterans by a LVER be placed back in the bill. This would allow the LVER in a small office to assist unemployed workers when an emergency occurs. Let me illustrate. In Sierra Vista, Arizona, the Job Service office has a staff of four. There is one Manager, one LVER, one DVOP and one non-veteran staff. Under your bill, if the manager and non-veteran staff member were unavailable, due to an emergency, there would be no one to assist the non-veteran unemployed worker. A solution could be to allow the LVER to service these clients after assisting the veterans and to charge the time to appropriate non-veteran programs.

In conclusion, I thank you again Mr. Chairman, not only for this opportunity to address you but to commend you for your leadership in the establishment and continuation of the VJT program and for the total support both you and Mr. DeConcini have given all veterans' programs.

STATEMENT OF JAMES N. O'BRIEN

DIRECTOR, HUMAN RESOURCES STAFFING
MCDONNELL DOUGLAS CORPORATION

Before the
SENATE COMMITTEE ON VETERANS' AFFAIRS

April 30, 1987

Mr. Chairman, McDonnell Douglas thanks you and the entire Senate Committee on Veterans' Affairs for giving us the opportunity to present our views on S.999 and proposed legislation to authorize FY 1988 and 1989 appropriations for the Veterans' Job Training Act (VJTA).

Mr. Chairman, you and Senator Alan Simpson as Senate co-authors of the original VJTA legislation deserve credit for defining a much needed veterans' program that truly works. We would like to share with you our own experience with this outstanding program and the nature of the training and employment opportunities created through VJTA for long-term jobless Vietnam-era and Korean Conflict veterans. Before we do so, McDonnell Douglas would like to reaffirm to this Committee our strongest support for VJTA. We believe that VJTA is a model program and that other government agencies could learn much from VJTA. In particular, the program provides worthwhile financial incentives to employers for training and employing a well defined and especially deserving group of Americans. VJTA does this without imposing any arbitrary red tape or administrative procedures on the employer.

McDonnell Douglas first became actively involved with VJTA in 1985 when the company made a corporate wide commitment to the VJTA program. McDonnell Douglas has always supported the priority hiring of veterans. After reviewing the VJTA legislation, we decided that this would further enhance employment and training opportunities for veterans -- especially those from the Vietnam era -- at McDonnell Douglas.

The decision to implement VJTA at McDonnell Douglas facilities around the nation came only after considerable input was received from operational managers at the company's manufacturing facilities. McDonnell Douglas' first commitment, as you can appreciate, is to the timely and cost effective delivery of the best military and commercial systems possible for our nation and the rest of the world. VJTA could only be implemented if it supported this priority.

In meetings with our managers around the country, the Corporate Human Resources staff repeatedly heard the same questions about VJTA. Would VJTA impose a separate set of rules and regulations upon the company's operations? Would VJTA impose burdensome reporting requirements on the company? Would VJTA require the company to pull workers off the production line and negatively impact the work of many other people? Would VJTA single out participants in such a way as to attach a stigma to the program and the people in the program? And finally, would the benefits of the program justify the cost of participating in the program?

With input from our Human Resources consultants, Management Insights, Inc. (MII), on the many positive aspects of the program and our belief that VJTA would not interfere with company operations, McDonnell Douglas embarked upon what would soon become one of the most successful training and employment programs ever initiated by the company.

Last year the Veterans Administration recognized McDonnell Douglas' efforts in hiring veterans through VJTA -- 215 as of the date of the award. Our records now show that 296 veterans have participated in McDonnell Douglas' VJTA program.

S.999 will help to strengthen an already outstanding support system for veterans' job counseling, training and placement. McDonnell Douglas would like to personally express its gratitude to the many Veterans Employment Representatives and Disabled Veterans Outreach Program Specialists whose hard work and dedication have helped make our own program so successful.

McDonnell Douglas strongly supports virtually all of the provisions of S.999 including restructuring the veterans support organization to make it even more responsive and more focused on veterans' needs, assigning staff to areas of greatest need, establishing uniform performance standards, providing more timely and complete information on training and employment opportunities, helping to clarify the mission of Employment Service personnel regarding veterans, and improving the quality of training for veterans' support staff.

We are, however, concerned about the proposed change in the payment schedule from 50% of trainee's wages to a staggered payment scheme that delays payment beyond program completion. A change to the proposed 30/50/20 payment system would add to reporting requirements for all trainees and complicate the invoicing process by attaching a different payment percentage to each month of payroll. Moreover, this change would reduce payments to even the most successful employers in the VJTA program since there will always be some noncompletion. As a result, we believe that this change would actually reduce the financial incentive to participating in the program and work against the veterans most in need of training and employment, i.e., those with the greatest disabilities and the most time out of work and, therefore, the most likely to not complete training. It should also be noted that all veterans in the program receive some work and training and break the cycle of unemployment.

Probably an even more direct approach to increasing training completion can come through controls already wisely built into VJTA. Prior to hiring and training eligible veterans, an employer must first develop a description of its training program and receive formal approval from the Veterans' Administration. This process makes it possible for the VA to screen out any training programs or employers that do not benefit veterans.

One of the difficulties in evaluating the need for changes to VJTA is the lack of a readily available database on the impacts of the program. McDonnell Douglas is currently in the second phase of a study by our Human Resources consulting company, Management Insights, Inc. (MII), to better quantify the types of applicants, their previous salary history, their length of unemployment, and their success in our program. Although the results are still in a very preliminary stage, we are pleased to note that our completion rate for VJTA training is approximately 84% -- far in excess of the numbers reported in the Centaur study. This is even a more remarkable percentage given the fact that training at McDonnell Douglas is often for highly-paid, skill-intensive jobs that will provide long-term careers for veterans.

We are also concerned about the proposed assignment of a "case manager" to each veteran and the requirement that they become responsible for helping the veteran resolve any problems encountered in training. Although we support the intent of the legislation, we are not at all clear about how it would be implemented. We believe that the employer and trainee need to be the focal point of any counseling regarding on-the-job training and performance on the job without unnecessary intervention by third parties. We would have difficulty in convincing our managers and supervisors otherwise.

Mr. Chairman, the proposed legislation authorizing FY 1988 and 1989 appropriations for VJTA is vital to the continued success of the program. We at McDonnell Douglas have made a special effort to integrate VJTA directly into our hiring process. Veterans are referred to McDonnell Douglas by various veterans' organizations and by veterans' representatives in the Job Service system. McDonnell Douglas also regularly sends employment representatives to job fairs sponsored by these organizations. Most of the veterans screened by us are long-term unemployed or disabled veterans.

We also post signs in our employment lobby instructing veterans with a Certificate of Eligibility for the VJTA program to alert the employment representative of this fact. The representative attaches a copy of the certificate to the veteran's application and stamps the application with a "V" to alert all interviewers of the veteran's VJTA-eligibility. Interviewers include this as a factor to be considered when making hiring decisions.

Veterans who have questions concerning the program are referred to a Job Service veteran's representative. McDonnell Douglas keeps in constant communication with the Job Service representatives to inform them of job openings. The representatives work with our employment representatives in determining how to pre-screen applicants.

The process does not end with the hiring offer. Each VJTA-eligible veteran is contacted on a regular basis to determine his/her training progress and to sign Completion of Training forms required by the VA. A local Job Service veterans' representative is always available to answer any questions veterans may have concerning the program.

Here is a real life example of how this program has been very successful, both for McDonnell Douglas in its efforts to recruit veterans and for veteran trainees who have learned new skills. Jim Rodriguez (we have changed the names of veterans mentioned here to preserve their privacy) was referred by a veteran's representative at the California Employment Development Department to McDonnell Douglas' Long Beach plant on October 15, 1986. Jim had been unemployed for almost two years; his previous job experience had been mainly as a security guard making less than $6.00/hr. At the time of his interview, Jim presented his VJTA Certificate of Eligibility to the McDonnell Douglas interviewer. He was hired on November 10, 1986 as an aircraft assembler making $9.01/hr.

He had been on the job only one month when his training supervisor decided that his progress in training was not satisfactory. Fortunately for Jim, his supervisor, following McDonnell Douglas' policy, reviewed his background to determine if he could be placed in another VJTA-approved position. Within three days he was placed in a new position as a material coordinator. Jim is still performing well in that position. Thus, the VJTA program worked twice for Jim.

Veterans such as Jim are normally hired into one of over 100 VJTA-approved positions. These positions are mainly hourly positions such as aircraft assembler, electrical assembler, and security officer but also include positions such as tape librarian, manufacturing service representative, and fabrication inspector. The starting wage for these positions ranges from $6.82/hr. to $14.63/hr. with an average starting wage of $9.04/hr.

Here is another example of how the program works at McDonnell Douglas. Arthur Hopkins was a Vietnam-era veteran who remained in the military until February, 1985. After his discharge, he spent three months unsuccessfully looking for employment until a Job Service veteran's representative informed him of the VJTA program and referred him to Douglas Aircraft on May 31, 1985.

Arthur informed the employment representative of his VJTA-eligibility and was hired within two weeks as an electrical assembler. Like Jim Rodriguez, Arthur was unable to successfully complete his training but a new position was found for him as a painter helper. He is still performing well in that position and readily admits how much he owes his employment to the VJTA program.

The program has also created outstanding training and employment opportunities for disabled veterans. Fred Martin, a disabled veteran, was laid off from his job as a dispatcher at a car dealership in December of 1984 after he had been out ill with a prolonged illness. He had been out of work for six months when he was referred by the Job Service to Douglas Aircraft in May of 1985. Fred was hired by McDonnell Douglas in June of 1985 as an aircraft assembler and was able to complete his training program. After his training program, he was promoted to the position of Engineer/Scientist, a position he still holds at Douglas Aircraft.

To conclude, McDonnell Douglas expects to have thousands of full-time openings during the next year, many of which can be filled by long-term jobless Vietnam-era veterans in VJTA approved positions. If the program is extended, we will continue our policy of priority hiring of VJTA-eligible individuals who meet the qualifications for these positions.

3828e

TOWN & COUNTRY ELECTRIC, INC.

TESTIMONY OF RONALD L. SAGER SUBMITTED TO THE UNITED STATES SENATE COMMITTEE ON VETERANS' AFFAIRS, WASHINGTON, DC 20510-6375 on APRIL 30, 1987.

Mr. Chairman it is a privilege for me to appear before your distinguished Committee and present my views concerning S. 999. My name is Ronald L. Sager and I am the Manager of Human Resources at Town and Country Electric, Inc., Appleton, Wisconsin, an electrical contracting firm that employs 121 personnel of which approximately 42% are veterans. We have received numerous awards for hiring veterans of which the last award we received was from the U.S. Department of Labor in November of 1986 for hiring disabled veterans. Prior to my position with Town and Country Electric, Inc., I was for five years and six months, a Disabled Veteran Outreach Program Specialist (D.V.O.P.) for the Wisconsin Job Service. I worked developing veteran job training (V.J.T.) sites for many eligible veterans. As an 80% combat disabled veteran I can relate to problems and concerns the veteran and their families have encountered relative to securing gainfull employment. During my time on the D.V.O.P. Program, I had counseled literally hundreds and hundreds of veterans in employment and training matters. Corollary to this I became involved in many support type organizations such as the Veterans Administration (V.A.), Wisconsin Department of Veteran Affairs and the Disabled American Veterans (D.A.V.). In 1983, I received the National Award as the outstanding D.V.O.P. in the United States.

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Being a Human Resources Manager for the past three years I now feel I have a more complete perspective relative to employment problems of veterans. I also feel a great deal of urgency relating to the pending legislation of Senate Bill S. 999. I would at this time like to briefly discuss from an actual case history relating to one of our own veteran employees that was on the V.J.T. Program. We hired a veteran under V.J.T. in September 1985. This veteran was very eager to work for our Company as an electrical assistant with the knowledge of going on for a four year electrical training program (Vocational School and on the job training) to become a licensed Journeyman Electrician. His work during the next four months was very good. However shortly into the 1986 new year his performance, work habits and attitude as reported by his Supervisor had changed significantly in the negative sense. After a certain amount of individual employer/employee talks, his behavior on the job had not changed. I confronted him again with this problem and that is when he broke down and related his problems of not being able to handle the job, ongoing psychological trauma relating to adjustment in society (he was a member of the U.S. Air Force Operation Ranch Hand Project in Vietnam) and family discord. I referred this veteran to a private psychologist approved by the V.A. Town and Country Electric, Inc. kept this veterans medical insurance in force and contributed monies for his personal treatment. We then after a few weeks referred this veteran, when it was evident he could no longer work in our trade, to the Wisconsin Department of Vocational Rehabilitation since he was not eligible for Chapter 31 benefits under current V.A. regulations. Town and Country Electric, Inc. clearly understands, based on the case history I have just briefly outlined, that as far as the veteran is concerned there are frequently needs that supercede the need for a job. Therefore I strongly urge passage of S. 999 to provide the very critical element of support and follow-up of the veteran trainee so that these individuals realize long-term gainfull employment opportunities.

In conclusion Mr. Chairman I would like to emphasize that as a person who has placed veterans into V.J.T. Programs, as an employer who has hired veterans under V.J.T. and as a disabled veteran who has been through V.A. Vocational Rehabilitation, I cannot reiterate strongly enough the necessary relationship between career counseling, psychological counseling, training and follow-up support services for all V.J.T. participants. This would address the problem of early noncompletion of V.J.T.'s and provide ongoing support such as career counseling to help veterans select the appropriate career field, psychological counseling to address their personal needs and a case manager for continuous support to insure success during the training period. In essence this would promote the success that this V.J.T. Program was originally set up to do by previous Legislation. Mr. Chairman, I would also like to address the issue of accountability for this program. Although functional supervision should remain with the Job Service office, overall performance standards should be monitored by an aggressive and committed State Director of Veterans Employment and Training Service. This individual should be answerable to the Office of the Assistant Secretary for Veterans Employment and Training. This should not be a numbers game of just throwing dollars in Veterans employment benefits but rather a concerted effort to implement both a training program and a reasonable support program. Additionally, I would like to recommend that the Amendment to allocate appropriations of $60 million over and above the $30 million for each of fiscal years 1988 and 1989 be approved.

Thank you Mr. Chairman and distinguished members of this committee for allowing me this opportunity to express my convictions relating to S. 999 and its amendment.

Signed:

Ronald L. Sager

Ronald L. Sager

STATEMENT OF

DR. ROBERT E. DAVID
EXECUIVE DIRECTOR

SOUTH CAROLINA EMPLOYMENT SECURITY COMMISSION

TO

SENATE COMMITTEE ON VETERANS' AFFAIRS

APRIL 30, 1987

Mr. Chairman, members of the Committee, my name is Robert E. David. I am Executive Director of the South Carolina Employment Security Commission. I appreciate the opportunity to participate in this hearing concerned with improving employment and training services to those who have so faithfully served our country.

As a veteran myself, and an individual who has been directly responsible for administering state and federal programs for those in need, I applaud your efforts to better serve our nation's veterans through the introduction of S.999.

In my opinion, men and women who offer their lives in the service of our country cannot be treated too kindly upon return to civilian life. However, of all the programs and benefits that may be available to our veterans, employment assistance is possibly the most over-looked and under-rated.

Mr. Chairman, when you introduced S.999 before the full Senate on April 9, you recognized how important it is to guarantee veterans access to uniform employment services everywhere in this nation; and your commitment to improving our system for delivering services is deeply appreciated by all who care.

First of all, I fully support this proposal's intent to insure that there is an adequate number of LVERs and an adequate number of DVOPs to get the job done. You are correct, I believe, in choosing a formula which takes into account several factors in determining actual positions. Most veterans, when they retire, pursue second careers and need counseling perhaps and job-finding assistance; therefore, the number of veterans residing in a given area is a valid measure. At the same time, the number of veterans registered with the Employment Service also is a valid indication of how many individuals may be seeking service. Neither factor alone tells the true story, but taken together, they do provide a fairly accurate picture.

We should, however, be very careful in our final determination of formula elements; but I am in full support of a more expanded approach than is now utilized. The best feature in the proposal, however, is the guarantee that adequate staff will be provided with some degree of stability. That, Mr. Chairman, is a problem that has afflicted the entire employment security system in recent years --- budgets being yo-yo-ed up and down without regard to workload or needs. If this bill can bring stability to the staffing of the Employment Service for veterans' programs, then you will have done the veteran, the system, and the nation a very great service.

Before moving on to my next area of concern, I'd like to express my support for the establishment of a National Veterans' Employment and Training Service Institute as incorporated in your bill. If enacted, this would provide the type of accredited facility that could enhance existing skills, teach new ones, serve as a technical exchange for new ideas in service delivery and, overall, enhance the pride in service for those specialists whose job it is to assist veterans in the labor market. In this regard also, I would hope that other ES personnel--those who are not LVERs or DVOPs but also provide services to veterans and others--could be specifically cited in the final bill as being permitted to participate in Institute training.

It is my understanding that Assistant Secretary of Labor Donald Shasteen has already done an excellent job in developing training facilities out in Denver, known as the National Veterans' Employment and Training Service Institute. After all, training does make sense. We insist on the very best training for our military personnel; doesn't it follow that the kind of service we render in the area of employment assistance and counseling will depend on how well trained our specialists are?

There are so many good features in this legislation, Mr. Chairman, that I find it hard to say anything unfavorable. At the same time, I would be less than honest and not the best witness if I did not point out a couple of areas where problems could arise.

I mentioned the need for adequate training a moment ago. If we pursue comprehensive counseling programs and a system of case management, as proposed, we are increasing our commitment of staff and time. I would simply suggest that perhaps we should make sure that adequate funding would be forthcoming to meet these needed goals. Let us not forget that counseling requires training and we are dealing with people's lives.

Finally, as you know, the Employment Service has proved itself over the years as the nation's best delivery system for veterans' employment and training programs. During the past 12 years and more, it has been my privilege to manage a state employment security program, which has included a very successful veterans' component. Much of the credit, of course, goes to my good friend and valued associate, Bill Plowden, the first Assistant Secretary for Veterans Employment and Training.

Let me also briefly mention that, in general, the proposed changes to the VJT Program are greatly needed and should result in a stronger Program, especially for those veterans who need that additional level of support while participating. I am particularly impressed with the case manager approach, and, of course, the emphasis on counseling for individual participants.

The last item I wish to comment on concerns those sections of the bill which would make both LVERs and DVOPs functionally responsible to State Directors for Veterans' Employment and Training (SDVETs) and their assistants. I must admit that I am not certain what is exactly meant by the phrase "functionally responsible," especially since the measure recognized that LVERs and DVOPs are state employees, assigned by the administrative head of the Employment Service, and are directly supervised by ES managers. Unless this issue is clearly spelled out, there is the potential for conflict.

In this regard, I want to make it very clear that the SDVET should be concerned about the functioning of DVOPs and LVERs as well as appropriate service delivery issues. In South Carolina, I enjoy what I believe to be a productive and meaningful type of relationship with our SDVET. When there are issues of concern regarding staff, etc., we confer and resolve these matters as expeditiously as possible. The future relationship between State Employment Security Agency officials and SDVETS will, to a great extent, depend on the clarification of this matter, and I strongly recommend that your staff consult with other Employment Security Administrators about this issue.

Mr. Chairman, and Committee members, I want you to know that the veterans of our nation are indebted to you for your attention to these matters; and your commitment to a stable delivery system that serves their needs is deeply appreciated by those of us who administer the employment security system.

Mr. Chairman, that concludes my prepared remarks. I would be most pleased to respond to any questions that you may have.

TESTIMONY BEFORE THE

SENATE COMMITTEE ON VETERANS' AFFAIRS

WASHINGTON, D.C.

APRIL 30, 1987

BY

VINCENT RIOS

FORMER STATE SUPERVISOR

CALIFORNIA VETERANS JOB TRAINING

Mr. Chairman, Members of the Senate Committee on Veterans Affairs, Ladies and Gentlemen. I am Vincent Rios, Former State Supervisor for Veterans' Job Training Programs.

Mr. Chairman, I would like to thank you and the other members of the Committee for your leadership in addressing problems faced by the unemployed veterans.

Veterans Administration National Headquarters reports, as of April 1, 1987 California placements are 6,068 veterans with $23,389,223.00 encumbered. Compared to national overall placements of 47,692 veterans and $169,866,563.00 encumbered. California is ranking first among the other states in both number of placements and funds encumbered at 12 percent of national placements and 13 percent of national funds encumbered.

In addition, I wish to make the following specific brief comments about S.999:

Sections 2 & 3 of Senate Bill 999 provide for DVOP's and LVER's to be "functionally responsible" to the State and Assistant State Directors for Veterans' Employment and Training. There are 14 DOL staff in the State of California responsible for over 200 DVOP's and 100 LVER's. California now has a system of checks and balances with DOL.

California's DVOP Workload Summary Reports for the month of January and for the year-to-date through January indicate by the following table showing the percentages for non-veterans served by month, positive ongoing efforts to correct/eliminate reporting errors.

Services	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.
Registrations	4.8	4.8	4.6	4.0	2.5	1.3
Provided Services	4.3	4.2	4.3	4.2	3.4	2.1
Job Development Referrals	3.9	5.6	4.6	5.5	9.6	4.5
Referral to Job	5.4	5.6	7.0	6.9	5.6	4.4
Individuals Placed	6.8	8.1	7.8	8.0	6.8	5.1

Future improvement is expected as California field offices use the specific special printouts distributed to identify and correct remaining reporting problems. While the full impact of this effort will not be evident until the April reports are run, I expect to see continuing improvements during the intervening months.

California has had a degree of success thus far with the VJT program, but there are still many veterans unemployed and California continues to make every effort to place them through programs like the VJT.

That concludes my testimony. Thank you, Mr. Chairman.

federal register

TUESDAY, NOVEMBER 2, 1976

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PART III:

DEPARTMENT OF LABOR

Employment and Training Administration

■

PUBLIC EMPLOYMENT SERVICE SYSTEM

Services for Veterans

Title 20—Employees' Benefits

CHAPTER V—EMPLOYMENT AND TRAINING ADMINISTRATION, DEPARTMENT OF LABOR

PUBLIC EMPLOYMENT SERVICE SYSTEM

Services for Veterans

Notice is hereby given that the Department of Labor, Employment and Training Administration is amending 20 CFR Chapter V by implementing final regulations governing services to veterans by the public employment service system. The regulations are promulgated under 38 U.S.C. Chapters 41 and 42 and under the Wagner-Peyser Act of 1933, as amended, 29 U.S.C. 49 et seq.

The Department published proposed regulations on January 30, 1976 at 41 FR 4702. Interested persons were invited to submit comments on the proposed regulations until March 1, 1976. The Department received several dozen comments. The most significant comments, and the Department's responses thereto are listed below:

1. Most of the State employment service agencies objected to the mathematically stated performance standards set forth at § 605.25 of the proposed regulations. Under the proposed performance standards, as a general rule, if a State agency's statistically measured ratio of services for veterans did not exceed its statistically measured ratio of services for nonveterans, the State agency would virtually automatically be held to be out of compliance with the regulation. Many commentors stated that the proposed regulation was too mechanical and rigid, that it did not sufficiently allow for legitimate judgment factors, and that it did not take into account variables outside a State agency's control. Many commentors stated that, although the statistical "performance standards" might be very useful as indicators of State agency services to veterans, they did not themselves prove a State agency's performance to be necessarily good or poor.

In these final regulations, the Department has designated the statistical measurements as "veterans preference indicators of compliance". A State agency's failure to show up well on the statistical indicators will not itself put a State agency into the status of noncompliance. The State agency will first be given an opportunity to show cause for its apparently poor performance. In these final regulations, moreover, the standards of performance which a State agency must meet are the standards for actual services for veterans, such as standards for registration, standards governing priority in job referral, and standards governing the assignment of Local Veterans Employment Representatives.

2. Many commentors noted that, under the proposed regulations, a State agency which takes full applications on all applicants, and/or which serves veterans and non-veterans at a very high level, would have a more difficult time increasing its ratio of services to veterans over non-veterans than a State agency which traditionally has provided a lower level of services to veterans and non-veterans. For example, it would be far easier to increase placements from 5 out of 50 to 10 out of 50 than from 20 out of 50 to 40 out of 50. Yet, under the proposed regulations, both State agencies would show the same ratio of improvement. In the final regulations provision is made for establishing a "floor level" of performance for each State agency for each reportable service based on each State agency's past performance and other appropriate factors. Only after the floor level is established will the veterans preference indicators of compliance be applied.

3. Some commentors objected to the use of the term "handicapped veteran" noting, among other reasons, that, under various programs and statutes, DOL requires the use of more than a half-dozen different veterans' classifications. Some thought the term too ambiguous. Others objected to requiring an equal priority in services for veterans, who, though handicapped, did not have a service connected disability as for certain disabled veterans. In the final regulations, the term "handicapped veteran" has been replaced by the term "disabled veteran".

4. Many commentors objected to the requirement that veterans' job applications be reviewed every 10 working days. The final regulations change this requirement to every 30 calendar days to coincide with the automatic deactivation period already in use by State agencies.

5. Some commentors objected to the taking of full applications for veterans who are "job-attached". The final regulations state that full applications need not be taken for such veterans.

The final regulations also make several minor and clarifying changes and have been thoroughly edited and reorganized.

Accordingly 20 CFR Chapter V is revised, effective December 2, 1976, to read as follows:

PART 602—FEDERAL-STATE EMPLOYMENT SERVICE SYSTEM

1. The title of the Part 602 is changed to read as set forth above.

§ 602.1 [Amended]

2. In § 602.1 *Definitions.*, paragraph (g) is deleted.

3. Section 602.5 is revised to read as follows:

§ 602.5 Services for veterans.

Each State agency shall make services available for veterans pursuant to Part 653, Subpart C of this chapter.

* * * * *

PART 604—POLICIES OF THE UNITED STATES EMPLOYMENT SERVICE

4. Section 604.1, paragraph (d) is amended to read as follows:

§ 604.1 The placement process.

* * * * *

(d) To give priority in referral to veterans pursuant to Subpart C of Part 653 of this chapter.

* * * * *

5. Section 604.4 is amended to read as follows:

§ 604.4 Services for veterans.

It is the policy of the United States Employment Service to provide services to veterans as set forth at Part 653, Subpart C of this chapter.

* * * * *

PART 605—POLICIES OF THE SECRETARY OF LABOR [DELETED]

PART 653—SERVICES OF THE EMPLOYMENT SERVICE SYSTEM

6. Part 605 is deleted in its entirety.

* * * * *

7. A new Part 653 is added to read as follows:

Subpart A—Basic Services of the Employment Service System [Reserved]

Subpart B—Services for Migrant and Seasonal Farmworkers (MSFWs) [Reserved]

Subpart C—Services for Veterans

PURPOSE AND DEFINITIONS

Sec.
653.200 Purpose and scope of subpart.
653.201 Definitions of terms used in subpart.

FEDERAL ADMINISTRATION

653.210 Role of the Administrator.
653.211 Role of the Veterans Employment Service (VES).
653.212 Role of Regional Administrator (RA).
653.213 Assignment and role of Regional Veterans' Employment Representatives (RVERs).
653.214 Assignment and role of State Veterans' Employment Representatives (SVERs).

STANDARDS OF PERFORMANCE GOVERNING STATE AGENCY SERVICES TO VETERANS AND ELIGIBLE PERSONS

653.220 Standards of performance.
653.221 Standards of performance governing State agency services.
653.222 Performance standard on facilities for VES staff.
653.223 Performance standards on reporting.
653.224 Performance standards governing the assignment and role of Local Veterans' Employment Representatives (LVERs).
653.225 Standards of performance governing State agency cooperation and coordination with other agencies and organizations interested in the employment development of veterans and eligible persons.
653.226 Standards of performance governing complaints of veterans and eligible persons.

FEDERAL MONITORING OF STATE AGENCY COMPLIANCE

653.230 Veterans preference indicators of compliance.
653.231 Secretary's annual report to Congress.

AUTHORITY: 38 U.S.C. chapters 41 and 42; Wagner-Peyser Act, as amended, 29 U.S.C. 49 et seq.; sec. 104 of the Emergency Jobs and Unemployment Assistance Act of 1974 Pub. L. 93-567, 88 Stat. 1845.

Subpart A—Basic Services of the Employment Service System [Reserved]

Subpart B—Services for Migrant and Seasonal Farmworkers (MSFWs) [Reserved]

Subpart C—Services for Veterans

PURPOSE AND DEFINITIONS

§ 653.200 Purpose and scope of subpart.

(a) This subpart contains the Department of Labor's regulations for implementing 38 U.S.C. 2001–2008 (Chapter 41) which requires the Secretary of Labor to refer eligible veterans and eligible persons to employment and training opportunities through the public employment service system established pursuant to the Wagner-Peyser Act, as amended, 49 U.S.C. et seq.

(b) This subpart reiterates the requirement contained in the Department of Labor's Office of Federal Contract Compliance Programs' regulation under 38 U.S.C. 2012(a) at 41 CFR 60–250.33. 41 CFR 60–250.33, paragraphs (a) and (b), require State employment service agencies to refer qualified disabled veterans and veterans of the Vietnam era on a priority basis to job openings listed with them by certain Federal contractors pursuant to 38 U.S.C. 2012(a). Section 653.212(f), moreover, goes beyond the requirement of 41 CFR 60–250.33 by requiring State agencies to give priority in referral to qualified disabled veterans and veterans of the Vietnam era with respect to all job openings listed with the State agency's local offices.

(c) This subpart references the Department of Labor's Office of Federal Contract Compliance Programs' regulation under 38 U.S.C. 2012(b) at 41 CFR 60–250.26. That regulation provides that disabled veterans and veterans of the Vietnam era may file with Local Veterans' Employment Representatives complaints alleging violations of 38 U.S.C. 2012 or of the Department's regulations at 41 CFR Part 60–250. 41 CFR 60–250.26 also sets forth the procedures for handling such complaints.

(d)(1) This subpart partially implements section 104 of the Emergency Jobs and Unemployment Assistance Act of 1974, Pub. L. 93–567, 88 Stat. 1845. Sec. 104 of that Act requires the Secretary of Labor, in consultation and cooperation with the Administrator of Veterans' Affairs and the Secretary of Health, Education, and Welfare, to provide for an outreach and public information program to produce jobs and training opportunities for all persons who were discharged from the Armed Forces within four years of the date they apply for such jobs or job training.

(2) The Department has also implemented section 104 of the Emergency Jobs and Unemployment Assistance Act of 1974 in the regulations under the Comprehensive Employment and Training Act (CETA) at 29 CFR Parts 94–99.

(3) The Secretary has also implemented section 104 of the Emergency Jobs and Unemployment Assistance Act of 1974 by Secretary's Order 17–76, which establishes within the Department of Labor a Secretary's Committee on Veterans' Affairs, and which assigns to the Committee the following functions:

(i) Serving as the principal advisory and coordinating group to the Secretary of Labor on matters affecting veterans;

(ii) Consulting with and providing guidance to the appropriate DOL Agencies and the DOL Program and Budget Review Committee (PBRC) on the formulation, implementation and redirection of departmental policies and programs as they affect veterans, especially in the areas of unemployment, job training, employment and reemployment;

(iii) Reviewing the operational effectiveness of departmental plans and programs affecting veterans;

(iv) Facilitating DOL executive-level communications on veterans' affairs within the Department and with other governmental agencies, veterans' organizations, labor, management, and the Congress;

(v) Reviewing and suggesting research essential to the implementation of effective departmental programs on behalf of veterans; and

(vi) Coordinating the preparation of any reports to the Congress concerning veterans' affairs which involve the activities of more than one DOL agency.

(e)(1) This subpart also implements 38 U.S.C. Chapter 42 in the sense that Title IV of the Vietnam Era Veterans' Readjustment Assistance Act of 1974 amended 38 U.S.C. Chapter 41, section 2007 by adding a new subsection (b) which states:

> The Secretary of Labor shall establish definitive performance standards for determining compliance by State public employment agencies with the provisions of this chapter and chapter 42 of this title. A full report as to the extent and reasons for any noncompliance by any such State agency during any fiscal year, together with the agency's plan for corrective action during the succeeding year, shall be included in the annual report of the Secretary of Labor required by subsection (c) of this section.

(2) Since section 2012 of 38 U.S.C. Chapter 42 places responsibilities on State employment service agencies, this subpart prescribes performance standards for such agencies. The Department has also prescribed regulatory standards under 38 U.S.C. 2012 for such agencies at 41 CFR Part 60–250.

(f) This subpart references section 205(c)(5) of the Comprehensive Employment and Training Act of 1973 (CETA), as amended, 29 U.S.C. 801 et seq. Section 205(c)(5) requires that applicants for public service employment funds under Title II of CETA must provide the Department of Labor with assurances that they will give special consideration to unemployed veterans who served in the Armed Forces in Indochina or Korea on or after August 5, 1964.

§ 653.201 Definitions of terms used in subpart.

"Administrator, United States Employment Service (Administrator)" shall mean the chief official of the United States Employment Service (USES).

"Assistant Veterans' Employment Representative (AVER)" shall mean a Federal employee who is designated as an assistant to a State Veterans' Employment Representative (SVER).

"Director, Veterans Employment Service (VES)" shall mean the Department of Labor official who, under the Administrator, is the chief official of the Veterans Employment Service.

"Disabled Veteran" shall mean a person entitled to disability compensation under laws administered by the Veterans Administration for a disability rated at less than 30 per centum.

"Eligible person" shall mean:

(1) The spouse of any person who died of a service-connected disability;

(2) The spouse of any member of the armed forces serving on active duty who, at the time of application for assistance under this subpart, is listed, pursuant to 37 U.S.C. 556 and the regulations issued thereunder, by the Secretary concerned, in one or more of the following categories and has been so listed for a total of more than 90 days: (i) Missing in action, (ii) captured in line of duty by a hostile force, or (iii) forcibly detained or interned in line of duty by a foreign government or power; or

(3) The spouse of any person who has a total disability permanent in nature resulting from a service-connected disability or the spouse of a veteran who died while a disability so evaluated was in existence.

"Eligible veteran" shall mean a person who served in the active military, naval or air service and who was discharged or released therefrom with other than a dishonorable discharge.

"Local Veterans' Employment Representative (LVER)" shall mean an official in a local office of a State employment service agency, designated by the State Director to serve veterans and eligible persons pursuant to this subpart.

"Regional Administrator (RA)" shall mean the chief official of the Employment and Training Administration in each Department of Labor region.

"Regional Veterans' Employment Representative (RVER)" shall mean the Federal official designated by the Director, Veterans Employment Service, in each Department of Labor regional office who, under the RA, serves veterans and eligible persons pursuant to this subpart.

"Special disabled veteran" shall mean a person entitled to disability compensation under laws administered by the Veterans Administration for a disability rated at 30 per centum or more, or a person whose discharge or release from active duty was for a disability incurred or aggravated in line of duty.

"State Veterans' Employment Representative (SVER)" shall mean a Federal official, designated by the Director, Veterans Employment Service, who, under the RA and the RVER, serves the employment needs of veterans and eligible persons in a particular State pursuant to this subpart.

"United States Employment Service (USES)" shall mean the component of the Employment and Training Administration of the Department of Labor, established under the Wagner-Peyser Act of 1933 to coordinate a nationwide system of public employment service agencies.

"Veteran" shall mean "eligible veteran", "disabled veteran", "special disabled veteran", and "Veteran of the Vietnam era".

"Veteran of the Vietnam era" shall mean a person (1) who (i) served on active duty for a period of more than 180 days, any part of which occurred during the Vietnam era (August 5, 1964 through May 7, 1975) and was discharged or released therefrom with other than a dishonorable discharge, or (ii) was discharged or released from active duty for a service-connected disability if any part of such active duty was performed during the Vietnam era, and (2) who was so discharged or released within the 48 months preceding the person's application for employment under this subpart.

"Veterans Employment Service (VES)" shall mean the organizational component within the United States Employment Service which is concerned with policies and services relating to employment development on behalf of veterans and eligible persons.

FEDERAL ADMINISTRATION

§ 653.210 Role of the Administrator.

The Administrator, USES, shall have overall responsibility for administering this subpart and for monitoring, in coordination with other ETA components, State agency compliance with the regulations under this subpart.

§ 653.211 Role of the Veterans Employment Service (VES).

(a) The Director of the Veterans Employment Service (VES) shall monitor and evaluate the performance of the State agencies under this subpart. The Director, VES, shall make every effort, in coordination with the Veterans Administration, Department of Health, Education, and Welfare, other Federal and State agencies, educational institutions, unions, veterans organizations, and community groups to produce job and training opportunities for veterans and eligible persons through Department of Labor administered programs relating to unemployment, job training, and employment.

(b) The Director, VES, shall have a VES field staff comprised of Regional Veterans' Employment Representatives (RVERs), State Veterans' Employment Representatives (SVERs), and assistants to the SVERs (AVERs) and their staffs. RVERs, SVERs and AVERs shall provide functional supervision, guidance and assistance to the State agencies pursuant to this subpart.

§ 653.212 Role of the Regional Administrator (RA).

Each RA shall have overall responsibility in the region for administering this subpart and for monitoring State agency compliance with the regulations under this subpart.

§ 653.213 Assignment and role of Regional Veterans' Employment Representatives (RVERs).

(a) The Director, VES, shall assign an RVER to each Employment and Training Administration (ETA) regional office. Every RVER shall be an eligible veteran, who shall be appointed pursuant to the provisions of 5 U.S.C. which govern appointments in the Federal competitive service, and who shall be paid pursuant to the provisions of 5 U.S.C. Chapter 51, and Chapter 53 of subchapter III.

(b) Every RVER shall be stationed in an ETA regional office, shall, under the RA, be a member of the ETA regional executive staff, and shall be the regional representative of, and shall be administratively responsible to, the Director, VES.

(c) The RVER shall provide advice and expertise to the RA on matters relating to ETA services to veterans and eligible persons. The RVER shall also:

(1) Supervise the activities of all VES field staff within the region;

(2) Provide support for, and assist in the coordination of, all ETA policies and programs as they affect veterans, especially policies and programs relating to unemployment, job training, and employment by:

(i) Providing direction and support to SVERs and AVERs;

(ii) Reviewing SVER and other findings regarding State agency compliance with the regulations under this subpart and recommending appropriate corrective action to the RA;

(iii) Assisting other ETA regional office staff in the coordination of ETA employment and training programs as they affect veterans;

(iv) Coordinating within the region ETA activities relating to veterans' services with other agencies and organizations, such as the Department of Defense, the Veterans Administration, the U.S. Civil Service Commission, the President's Committee on Employment of the Handicapped, the Office of Vocational Rehabilitation and other Department of Health, Education, and Welfare agencies, labor unions, veterans organizations, employers and community organizations;

(v) Cooperating with the Employment Standards Administration of the Department of Labor in the resolution of complaints by veterans under the Department's regulations at 41 CFR Part 60-250; and

(vi) Monitoring and assessing unemployment, job training, employment and other services to veterans under ETA regulations.

(3) Monitor and evaluate State agency performance under this subpart by:

(i) Reviewing and analyzing monthly, quarterly and annual reports required by ETA data systems. RVERs shall compare actual services to veterans by each State agency by comparing the statistics generated by the veterans preference indicators of compliance set forth in § 653.230 against the performance standards set forth at § 653.221-26; and

(ii) With input from SVERs as appropriate, assisting the RA in conducting that portion of periodic and special reviews of State agency performance pertaining to the provision of services to veterans.

§ 653.214 Assignment and role of State Veterans' Employment Representatives (SVERs).

(a) A representative of the VES shall be assigned to each State agency to serve as the State Veterans' Employment Representative (SVER). One Assistant Veterans' Employment Representative (AVER) shall be assigned to each State agency per each 250,000 eligible veterans and eligible persons in the State population and additional AVERs shall be assigned whenever the data collected under this subpart indicates that additional AVERs are necessary.

(b) Each SVER and AVER shall be an eligible veteran, who, at the time of appointment, shall have been a bona fide resident of the State for at least 2 years, and shall be appointed pursuant to the provisions of 5 U.S.C. which govern appointments to the Federal competitive service, and who shall be paid pursuant to the provisions of 5 U.S.C. Chapter 51 and Chapter 53, subchapter III.

(c) The SVER, AVERs, and their VES Federal support staff shall be attached to the State office staff of the State agency to which they are assigned.

(d) Under the direction and supervision of the RA and the RVER, and in cooperation with the State agency staff and the staffs of other ETA funded employment and training programs in the State, the AVERs and SVER shall:

(1) Provide support and assist in coordinating all ETA policies and all ETA funded programs in the State as they affect veterans and eligibility persons, especially policies and programs relating to unemployment, job training, and employment.

(2) Functionally supervise services to veterans by the State agency. Functional supervision shall consist of assisting State agency personnel in carrying out services to veterans and eligible persons and evaluating their performance. Functional supervision shall entail providing technical assistance, making suggestions for improvement of services, helping to plan programs and projects, checking for compliance with ETA regulations affecting veterans helping to correct errors by working with local and State staffs, analyzing work as it affects veterans end eligible persons, training new State agency employees and providing refresher courses for State agency staff, bringing matters which require corrective action to the attention of those State agency personnel who have authority over policy, procedures and staff. Functional supervision does not authorize an SVER or AVER to hire, fire, discipline or issue directives to State agency employees. Nor does it authorize an

SVER or AVER to make regulations, change procedures or establish policies for the State agency without specific authority from the State agency;

(3) Engage in job development and job advancement activities on behalf of veterans and eligible persons, including coordination with the Veterans Administration in its carrying out of the Veterans Outreach Services Program under subchapter IV of chapter 3 of 38 U.S.C., and including the conduct of job fairs, job marts and other special programs to match veterans and eligible persons with appropriate job and job-training opportunities;

(4) Assist in securing and maintaining current information on available employment and training opportunities, using, when feasible, electronic data processing and telecommunications systems, and in matching veteran and eligible persons applicants' qualifications with available jobs, training and apprenticeship opportunities;

(5) Promote the interest of employers and labor unions in employing and in conducting on-the-job training and apprenticeship programs for veterans and eligible persons;

(6) Maintain regular contact with employers, labor unions, training program sponsors and veterans organizations to keep them advised of veterans and eligible persons who are available for employment and training;

(7) Keep veterans and eligible persons advised of opportunities for employment and training; and

(8) Coordinate, in conjunction with the RVER as appropriate, ETA activities relating to veterans services within the State with the activities of other agencies and organizations such as the Veterans Administration, the Department of Defense, the U.S. Civil Service Commission, the Department of Health, Education, and Welfare, State agencies such as Vocational Rehabilitation agencies, Governors Committees on Employment of the Handicapped, and unions, veterans organizations, employer associations and other community groups.

(9) Monitor and evaluate State agency performance under this subpart using local office and State agency reports including:

(i) Monthly, quarterly and annual reports of actual activity levels generated by required data systems;

(ii) Reports generated by the State agency Self-Appraisal System; and

(iii) Internal reports prepared by State agency staffs such as field supervisory, technical assistance and research staffs.

(10) Compare actual services to veterans and eligible persons against the standards for State agency performance set forth at § 653.221–26.

(11) Conduct periodic onsite reviews of local offices to assess their performance under this subpart. Such reviews shall include detailed, comprehensive analyses of all local office activities related to serving veterans and eligible persons, and spot-checks of particular local offices to validate information the SVER has obtained through the State agency Self-Appraisal System, regular data systems, field supervisors, technical staff or otherwise. The SVER shall review the performance of large local offices at least once each fiscal year on a formal, comprehensive, in-depth basis, and shall periodically review smaller local offices which evidence problems in providing services to veterans and eligible persons pursuant to this subpart until the problems are resolved.

STANDARDS OF PERFORMANCE GOVERNING STATE AGENCY SERVICES TO VETERANS AND ELIGIBLE PERSONS

§ 653.220 Standards of performance.

Sections 653.221–225 set forth the standards of performance governing services to veterans and eligible persons which must be met by the State employment service agencies.

§ 653.221 Standards of performance governing State agency services.

(a) Each State agency shall assure that all of its local offices, using LVERs and other staff, offer the following services to all veterans and eligible persons:

(1) *Registration.* Local offices shall encourage all veterans and eligible persons to file complete applications for appropriate job or training opportunities by explaining the services they may expect to receive on the filing of a full application. Local offices, however, may take partial applications for veterans and eligible persons if they are job attached, or if they are on strike or layoff and expecting to return to work unless such applicants request the opportunity to file full applications. Local offices may also take partial applications on veteran and eligible person applicants who say they do not wish to file full applications after the benefits of filing a full application have been explained to them.

(2) *Interviewing.* As appropriate, local offices shall interview veterans and eligible persons on a priority basis to review and analyze the information on their application cards, to assure that all of the applicants' qualifications for employment are adequately presented, to determine any need for employment counseling, to evaluate the occupationally significant facts about the applicants, and to select suitable job choices and job-finding techniques.

(3) *Counseling.* As appropriate, qualified local office staff shall discuss with veteran and eligible person applicants on a priority basis their present and potential qualifications for work, alternative vocational choices, and occupational requirements to assist them in formulating a plan to achieve their occupational and/or training goals. As appropriate, the counselors shall also provide such applicants with assistance in solving problems relating to the obtaining or holding of jobs.

(4) *Testing.* As appropriate, qualified local office staff shall administer objective aptitude and proficiency tests to veteran and eligible person applicants on a priority basis.

(5) *Referral to supportive services.* As appropriate, local offices shall refer veteran and eligible person applicants on a priority basis to supportive services available in the community such as medical, legal aid, child care and transportation assistance, which are likely to assist them to obtain employment and/or training.

(6) *Job development.* As appropriate, local offices shall attempt to develop job openings for veteran and eligible person applicants on a priority basis through employer contacts and otherwise whenever suitable job openings are not available in local office files. Such efforts shall include attempts to foster the elimination of hiring requirements not related to job performance.

(7) *Job and training referral.* (i) Whenever there is more than one applicant qualified for a job opening, including a job opening listed under the mandatory listing requirement of 38 U.S.C. 2012, or for a training opportunity, local offices, except as provided in paragraph (a)(7)(ii) of this section, shall observe the following order of priority in making referrals to the job openings or training opportunity:

(1) Qualified special disabled veterans;

(2) Qualified veterans of the Vietnam era;

(3) Qualified disabled veterans;

(4) All other qualified veterans and eligible persons;

(5) Qualified nonveterans.

(ii) Whenever a State agency or a local office is a subgrantee or contractor under the Comprehensive Employment and Training Act (CETA) or Title IV of the Social Security Act (Work Incentive (WIN) Program), the local office shall refer veterans to job and training opportunities under those programs in accordance with the CETA regulations at 29 CFR Parts 94–99 or the WIN regulations at 29 CFR Part 56.

(b) State agencies shall:

(1) Establish outreach programs designed to make veterans and eligible persons aware of the ES services available to them. Such programs shall include contact with veterans organizations, Veterans Administration facilities, military bases, military hospitals and other appropriate organizations. The State agency public information program shall develop and disseminate labor market information to assist veterans and eligible persons in job search activities, using public service announcements in the media as appropriate.

(2) Provide special designation, filing and retrieval procedures in each local office to readily identify veteran and eligible person applications and to monitor the provision of services to veteran and eligible person applicants on a priority basis. Separate special designation shall also be given to applications of disabled veterans.

(c) Local offices shall review veteran and eligible person applications each 30 calendar days and, if no reportable service has been recorded during the previous 30 calendar days, shall, if possible, determine each applicant's current status and desire for further ES assistance by telephone, visit, or mail. If further assistance is desired by the applicant, the local office shall initiate reportable services as appropriate. The term "reportable services", as used in this paragraph, shall mean counseling, job development, referral to a job, referral to training, referral to supportive services, testing and placement. A call-in shall also be considered as a reportable service, but only if the call-in is made to initiate another reportable service and only if contact is successfully made with the applicant by telephone or if the applicant responds to a mailed call-in card. All reportable services given shall be noted on the applicant's application card.

(d) Local offices shall assure that the applications of veterans and eligible persons are not automatically inactivated in accordance with normal procedures without the following special review:

(1) Identification of the applications of veterans and eligible persons scheduled for inactivation;

(2) A file search for their records; and evidence that warrants inactivation such as placement in a job or training opportunity, an explicit request from an applicant to inactivate an application, notice that applicant has moved out of the local office jurisdiction, etc. If inactivation is scheduled but not warranted, appropriate reinstatement actions should be taken.

(e) Local offices shall conduct job development activities including efforts to encourage the elimination of hiring requirements not related to job performance on behalf of veterans and eligible persons.

(f) Whenever feasible, local offices shall refer qualified veterans and eligible applicants within two working days after they file their applications to job opportunities developed under the mandatory listing requirement of the Department's regulations at 41 CFR Part 60-250, under the Comprehensive Employment and Training Act (CETA), or contained in Job Bank listings. If necessary, local office hours and staff working schedules shall be adjusted so that this requirement can be met.

(g) Local offices shall assure that the applications of veterans and eligible persons are never inactivated without a special review consisting of:

(1) The identification of the applications and records of veterans and eligible persons scheduled for inactivation; and

(2) The examination of each application for evidence that warrants its inactivation such as evidence that the applicant has been placed in a job or training opportunity, or of an explicit request from an applicant to inactivate an application, or that applicant has moved out of the local office's jurisdiction, etc.

§ 653.222 Performance standard on facilities for VES staff.

Each State agency shall provide adequate and appropriate facilities to the SVER, AVERs and VES support staff attached to the State agency.

§ 653.223 Performance standards on reporting.

(a) State agencies shall provide RVERs, SVERs, and AVERs with access to regular and special internal State agency reports which relate in whole or in part with services to veterans and/or eligible persons.

(b) No special reporting requirements are established by this subpart. Existing reporting systems include information on services to veterans and eligible persons and shall be used by ETA and the State agencies to administer the provisions of this subpart. ETA, however, may require special reports from State agencies from time to time.

§ 653.224 Performance standards governing the assignment and role of Local Veterans' Employment Representatives (LVERs).

(a) At least one member of each State agency staff, preferably an eligible veteran, shall be assigned by the State Director as a full-time Local Veterans' Employment Representative (LVER) to every local office which:

(1) Has had 1,000 new and renewal applications from veterans and eligible persons during the last Federal fiscal year; or

(2) Has a total of 6,000 veterans and eligible persons in the local office administrative area population.

(b) The State Director may:

(1) Assign additional full-time LVERs to local offices described in paragraph (a) of this section based on the State Director's determination of need; and

(2) Assign less than full-time LVERs to local offices described in paragraph (a) of this section if a lack of need for a full-time LVER is documented to the satisfaction of the Director, VES, as evidenced by the written approval of the Director, VES.

(c) The State Director shall assign LVERs on a part-time basis to local offices other than those described in paragraph (a) of this section. State Directors shall assure that periodic evaluations are made to determine the adequacy of services provided to veterans and eligible persons, and if necessary, they shall reallocate the time devoted to serving veterans and eligible persons by, for example, assigning additional full-time LVERs.

(d) Each LVER shall discharge, at the local office level, the duties prescribed for the LVER in paragraph (d) of § 653.214 The LVER may also be delegated line supervision over veterans units, assistant LVERs and veteran aides and may be assigned direct duties with respect to services for veterans and eligible persons by the local office manager.

(e) Each LVER shall be administratively responsible to the local office manager and shall provide functional supervision over all local office services to veterans and eligible persons. The term "functional supervision" as used in this paragraph shall mean evaluating local office personnel in their performance of services to veterans and eligible persons and assisting them to carry out these services more effectively.

(1) Functional supervision entails providing technical assistance, making suggestions for the improvement of services, helping to plan programs, initiating projects, checking for compliance with regulations, helping to correct errors by working with local office staff, analyzing work as it affects veterans and eligible persons, training new local office employees, providing refresher courses for other staff, and assisting all local office personnel to improve services to veterans and eligible persons. It also involves the bringing of matters which the LVER believes require corrective action to the attention of the local office manager and other officials who have line authority to set or change policy and procedure and to supervise staff.

(2) Functional supervision does not entail the right to hire, fire, or discipline any local office employee. Nor does it authorize an LVER to make regulations, change procedures or establish policies for the local office without specific authority from the local office manager.

§ 653.225 Standards of performance governing State agency cooperation and coordination with other agencies and organizations interested in the employment development of veterans and eligible persons.

(a) Each State agency shall establish cooperative working relationships with the Veterans Administration (VA) office serving the State to maximize the use of VA training programs for veterans and eligible persons, particularly on-the-job and other skill training. Such working relationships should provide for the exchange of information on available training opportunities and on veterans and eligible persons available to be trained, the placing of job orders with the ES by employers who provide VA-approved on-the-job training, the referral of veterans and eligible persons to such job openings, and joint ES–VA programs to aid VA field staff in providing assistance to employers with VA programs. Each State agency should develop a written agreement with its VA counterpart covering areas of mutual concern and delineating each agency's areas of responsibility.

(b) Each State agency shall develop cooperative arrangements with public agencies and other organizations who are sponsors of programs under the Comprehensive Employment and Training Act of 1973 (CETA). State agencies shall make their staffs aware of the fact that, under section 205(c)(5) of the Comprehensive Employment and Training Act, sponsors of public service employment programs under Title II of that Act are required to make special efforts to acquaint veterans with the public service jobs available under Title II of CETA and to coordinate their efforts on behalf of veterans with ES activities under this subpart.

§ 653.226 Standards of performance governing complaints of veterans and eligible persons.

(a) Any veteran or eligible person may file a complaint with the LVER. The

LVER shall handle the complaint in accordance with the provisions of Subpart E of Part 658 of this chapter except that, if the complaint relates to the responsibilities of an employer under 38 U.S.C. 2012, the LVER shall follow the Department's complaint procedures set forth at 41 CFR Part 60–250.

(b) Each local office shall have information on the complaint system available to veterans and eligible persons at all times, and shall display a poster which advises applicants about the system.

FEDERAL MONITORING OF STATE AGENCY COMPLIANCE

§ 653.230 Veterans preference indicators of compliance.

(a) To help in determining whether the standards of performance set forth in §§ 653.221–226 are being met, the ETA shall use the floor levels and the veterans preference indicators of compliance set forth in this section to compare the level of services provided to veterans and eligible persons with the level of services provided to nonveterans.

(b) The term "applicants" as used in this section shall mean individuals who filed or renewed job applications during the fiscal year. To improve statistical comparability, the term "nonveteran" as used in this section shall not include women and persons 19 years of age or younger. The term "veteran" as used in this section, shall include eligible persons. The term "disabled veteran", as used in this section, shall include "special disabled veteran".

(c) To prevent State agencies, which are actually performing at low levels of accomplishment, from mathematically appearing, according to the veterans preference indicators of compliance, to be doing well, the ETA shall establish a floor (minimum) level of expected accomplishment for each State for each reportable service for each Federal fiscal year. Only after a State agency reaches its expected floor level of accomplishment shall the veterans preference indicators of compliance be applied. Each year ETA shall consider each State agency's past year's accomplishments as a major factor in establishing the floor level of accomplishment for the next Federal fiscal year. Computation of the floor levels shall also be based on external and other appropriate factors. The floor levels of accomplishment shall be stated as follows:

(1) $\frac{\text{Veterans Counseled}}{\text{Veteran Applicants}} \times 100$ percent =

(2) $\frac{\text{Veterans Enrolled in Training}}{\text{Veterans Applicable}} \times 100$ percent =

(3) $\frac{\text{Veteran Job Development Contacts}}{\text{Veterans Applicable}} \times 100$ percent =

(4) $\frac{\text{Veteran Applicants Placed}}{\text{Veterans Applicants}} \times 100$ percent =

(5) $\frac{\text{Veteran Applicants Inactivated with Some Service}}{\text{Veteran Applicants}} \times 100$ percent =

ETA shall periodically publish numerical values to fill out these floor level equations in the FEDERAL REGISTER as amendments to this section.

(d) The ETA shall compare the level of State agency services for veterans versus that for nonveterans by examining rates of service rather than the numbers of persons served to compensate for the differing sizes of comparison groups and to avoid the difficulties associated with establishing absolute numbers under varying conditions, time periods and locations. In addition, the two groups, veterans and nonveterans, shall be compared after adjustments for demographic and other appropriate characteristics to make them as comparable as possible within the limitations of available data systems.

(e) ETA shall establish numerical values for the veterans preference indicators of compliance for each Federal fiscal year for:

(1) Veterans versus nonveterans;

(2) Veterans of the Vietnam era versus nonveterans; and

(3) Disabled veterans versus nonveterans.

(f) Veterans preference indicators of compliance for service to all veterans shall be stated as follows:

(1) The ratio of veteran applicants counseled to the total number of veteran applicants shall exceed the ratio of nonveteran applicants counseled to the total number of nonveteran applicants by at least ------------ percent.

$$\frac{\text{Veteran counseled}}{\text{Veteran applicants}} + \frac{\text{Nonveterans counseled}}{\text{Nonveteran applicants}} - 1.00 = \text{----}\ \%$$

(2) The ratio of veteran applicants referred to training to the total number of veteran applicants shall exceed the ratio of nonveteran applicants referred to training to the total number of nonveteran applicants by at least -- %. percent.

$$\frac{\text{Veterans enrolled in training}}{\text{Veteran applicants}} + \frac{\text{Nonveterans enrolled in training}}{\text{Nonveteran applicants}} - 1.00 = \text{----}\ \%$$

(3) The ratio of job development contacts made for veterans to the total number of veteran applicants shall exceed the ratio of job development contacts made for nonveterans to the total number of nonveteran applicants by at least -- %.

$$\frac{\text{Job development contacts for veterans}}{\text{Veteran applicants}} + \frac{\text{Job development contacts for nonveterans}}{\text{Nonveteran applicants}} - 1.00 = \text{----}\ \%$$

(4) The ratio of veteran applicants placed in jobs to the total number of veteran applicants shall exceed the ratio of nonveteran applicants placed in jobs to the total number of nonveteran applicants by at least -- %.

$$\frac{\text{Veterans placed}}{\text{Veteran applicants}} + \frac{\text{Nonveterans placed}}{\text{Nonveteran applicants}} - 1.00 = \text{----}\ \%$$

(5) The ratio of veteran applicants inactivated with some service to the total number of veteran applicants shall be more than the ratio of nonveteran applicants inactivated with some service to the total number of nonveteran applicants by at least -- percent.

$$\frac{\text{Veterans inactivated with some service}}{\text{Veteran applicants}} + \frac{\text{Nonveterans inactivated with some service}}{\text{Nonveterans applicants}} - 1.00 = \text{----}$$

(g) Veterans preference indicators of compliance for service to veterans of the Vietnam era are as follows:

(1) The ratio of Vietnam-era veteran applicants counseled to the total number of Vietnam-era applicants shall exceed the ratio of nonveteran applicants counseled to the total number of nonveteran applicants by at least--percent.

$$\frac{\text{Vietnam-era veterans counseled}}{\text{Vietnam-era veteran applicants}} + \frac{\text{Nonveterans counseled}}{\text{Nonveteran applicants}} - 1.00$$

(2) The ratio of Vietnam-era veteran applicants enrolled in training to the total number of Vietnam-era veteran applicants shall exceed the ratio of nonveteran applicants enrolled in training to the total number of nonveteran applicants by at least -- percent.

$$\frac{\text{Vietnam-era veterans enrolled in training}}{\text{Vietnam-era veteran applicants}} + \frac{\text{Nonveterans enrolled in training}}{\text{Nonveteran applicants}} - 1.00 = \text{----}\ \%$$

(3) The ratio of job development contacts made for Vietnam-era veterans to the total number of Vietnam-era veteran applicants shall exceed the ratio of job development contacts made for nonveterans to the total number of nonveteran applicants by at least -- percent.

$$\frac{\text{Job development contacts for Vietnam-era veterans}}{\text{Vietnam-era veteran applicants}} \div \frac{\text{Job development contacts for nonveterans}}{\text{Nonveteran applicants}} - 1.00 = \ldots\%$$

(4) The ratio of Vietnam-era veteran applicants placed in jobs to the total number of Vietnam-era veteran applicants shall exceed the ratio of nonveteran applicants placed in jobs to the total number of nonveteran applicants by at least __ percent.

$$\frac{\text{Vietnam-era veterans placed}}{\text{Vietnam-era veteran applicants}} \div \frac{\text{Nonveterans placed}}{\text{Nonveteran applicants}} - 1.00 = \ldots\%$$

(5) The ratio of Vietnam-era veteran applicants inactivated with some service to the total number of Vietnam-era veteran applicants shall be more than the ratio of non-veteran applicants inactivated with some service to the total number of nonveteran applicants by at least __ %.

$$\frac{\text{Vietnam-era veterans inactivated with some service}}{\text{Vietnam-era veteran applicants}} \div \frac{\text{Nonveterans inactivated with some service}}{\text{Nonveteran applicants}} - 1.00 = \ldots\%$$

(h) Veterans preference indicators of compliance for service to disabled veterans are as follows:

(1) The ratio of disabled veteran applicants counseled to the total number of disabled veteran applicants shall exceed the ratio of nonveteran applicants counseled to the total number of nonveteran applicants by at least __ %.

$$\frac{\text{Disabled veterans counseled}}{\text{Disabled veteran applicants}} \div \frac{\text{Nonveterans counseled}}{\text{Nonveteran applicants}} - 1.00 = \ldots\%$$

(2) The ratio of disabled veteran applicants enrolled in training to the total number of disabled veteran applicants shall exceed the ratio of nonveteran applicants enrolled in training to the total number of nonveteran applicants by at least __ percent.

$$\frac{\text{Disabled veterans enrolled in training}}{\text{Disabled veteran applicants}} \div \frac{\text{Nonveterans enrolled in training}}{\text{Nonveteran applicants}} - 1.00 = \ldots\%$$

(3) The ratio of job development made for disabled veterans to the total number of disabled veteran applicants shall exceed the ratio of job development contacts made for nonveterans to the total number of nonveteran applicants by at least __ percent.

$$\frac{\text{Job development contacts for disabled veterans}}{\text{Disabled veteran applicants}} \div \frac{\text{Job development nonveterans}}{\text{Nonveteran applicants}} - 1.00 = \ldots\%$$

(4) The ratio of disabled veteran applicants placed in jobs to the total number of disabled veteran applicants shall exceed the ratio of nonveteran applicants placed in jobs to the total number of nonveteran applicants by at least __ %.

$$\frac{\text{Disabled veterans placed}}{\text{Disabled veteran applicants}} \div \frac{\text{Nonveterans placed}}{\text{Nonveteran applicants}} - 1.00 = \ldots\%$$

(5) The ratio of disabled veteran applicants inactivated with some service to the total number of disabled veteran applicants shall exceed the ratio of nonveterans inactivated with some service to the total number of nonveteran applicants by at least __ percent.

$$\frac{\text{Disabled veterans inactivated with some service}}{\text{Disabled veteran applicants}} \div \frac{\text{Nonveterans inactivated with some service}}{\text{Nonveteran applicants}} - 1.00 = \ldots\%$$

(i) The veterans preference indicator of compliance for State agency action under the mandatory job listing requirements of 38 U.S.C. 2012 shall be: The ratio of the total number of veterans of the Vietnam era and special disabled veterans placed in mandatory listing job openings to total number of individuals placed in mandatory listing job openings shall exceed 20 percent.

(j) Following analysis of the past year's accomplishments, the numerical value for each of the veterans preference compliance indicators will be published in the FEDERAL REGISTER as amendments to paragraphs (f), (g) and (h) of this section.

(k) State agency performance under this subpart shall be reviewed on a quarterly basis by the ETA regional offices during the conduct of regular Operational Planning and Review System (OPRS) reviews. In addition, State agency performance under this subpart shall be formally reviewed by the ETA national office on an annual basis using the floor levels of accomplishment and the veterans preference indicators of compliance. The full results of these reviews shall be incorporated into the Secretary's annual report to the Congress. If a State agency fails to meet three of the five floor levels of accomplishment set forth at paragraph (c) of this section, including the floor level for placement, or if it fails to meet more than one-half of the total number of veterans preference indicators of compliance, with each placement indicator having double weight, ETA shall consider this as evidence that the State agency is not complying with the performance standards at § 653.221–226. Such State agencies shall be required to provide documentary evidence to the ETA that their failure is based on good cause. If good cause is not shown, the ETA, pursuant to Subpart H of Part 658 of this chapter, shall formally designate the State agency as out of compliance, shall require it to submit a corrective action plan for the following Federal fiscal year, and may take other action against the State agency pursuant to Subpart H of Part 658 of this chapter.

(l) Even though a State agency veterans' services statistics, including the floor levels of accomplishment and the veterans preference indicators of compliance, indicate adequate services to veterans, the ETA may take corrective action against a State agency pursuant to Subpart H of Part 658 of this chapter if other information comes to the attention of the ETA which indicates that a State agency is not complying with the requirements of this subpart.

§ 653.231 Secretary's annual report to Congress.

(a) The Secretary shall report, after the end of each Federal fiscal year, on the success of the Department and the State agencies in carrying out the provisions of this subpart. The report shall include, by State:

(1) The number of recently discharged or released eligible veterans, disabled veterans, other eligible veterans and eligible persons who requested assistance through the State agency; and

(2) Of the categories set forth in paragraph (a)(1) of this section, the number placed in employment, placed in job-training opportunities, or otherwise assisted.

(b) The report shall include any determinations that:

(1) A State agency demonstrated a lack of need for assigning a full-time LVER in accordance with § 653.224 (b)(2); and

(2) Funds made available under the prior year's appropriations Act were not needed for carrying out the purposes of this subpart.

(c) The report shall include a designation of State agencies which ETA formally designated as out of compliance pursuant to § 653.230(k) with the standards of performance set forth in this subpart along with those agencies' plans for corrective action during the succeeding Federal fiscal year.

Signed at Washington, D.C., this 27th day of October 1976.

WILLIAM H. KOLBERG,
Assistant Secretary for Employment and Training.

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Statement of

The American Legion

1608 K STREET, N. W.
WASHINGTON, D. C. 20006

by

PAUL S. EGAN, DEPUTY DIRECTOR
NATIONAL LEGISLATIVE COMMISSION
THE AMERICAN LEGION

and

DENNIS K. RHOADES, DIRECTOR
NATIONAL ECONOMIC COMMISSION
THE AMERICAN LEGION

before the

COMMITTEE ON VETERANS AFFAIRS
UNITED STATES SENATE

on

VETERANS EMPLOYMENT LEGISLATION, S. 999, AND
ADMINISTRATION-REQUESTED LEGISLATION, S. 918, TO
MODIFY VETERANS EDUCATION PROGRAMS

April 30, 1987

STATEMENT OF
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DIRECTOR
NATIONAL ECONOMIC COMMISSION
THE AMERICAN LEGION

before the

COMMITTEE ON VETERANS AFFAIRS
UNITED STATES SENATE
Washington, D.C.

April 30, 1987

Mr. Chairman, The American Legion is pleased to have the opportunity to appear before this Committee today to share our views on veterans job programs. Employment and training is a vital, but too often neglected component of our entire veterans services system. We are grateful to you not only for developing S.999, which we will discuss in a moment, but also for taking the time to conduct a broad assessment of current programs. We are convinced that these programs, the components of which were often developed in response to a particular employment problem among Vietnam-era veterans, is in need of reassessment and refinement, with a view toward setting in place a permanent, flexible veterans employment and training structure.

In that regard, those provisions of S.999 which would amend chapter 41 of title 38 represent a good first step in the refinement process, as well as responding to an immediate need to bring stability to the local veterans employment representative (LVER) program. As the Committee is aware, the Administration has attempted to propose substantial reductions in the numbers of LVERs in its proposed budgets for the last two fiscal years. Its device for justifying these reductions was the elimination, by a 1985 regulatory change, of a population criterion to determine the number of LVER positions required by local public employment service offices. In the proposed 1988 budget, the Administration went even further: it proposed to reduce the number of

LVERs below the level required by its own revised regulations on the basis that LVERs were functional supervisors, and that the degree of supervision required was less than the number of positions funded. While functional supervision is a key element in the duties of an LVER, it is by no means the only one. Chapter 41 lists no less than eleven major tasks for LVERs, in addition to supervision.

Another major Administration criticism of this measure is a claim that the veterans population in an employment office service area would be virtually impossible to determine. As you are aware, Mr. Chairman, for nearly a decade prior to 1985, a population criterion was used to determine whether or not a local office was required to have a fulltime LVER. The American Legion thus finds it difficult to believe that census projections or other data sources used previously have suddenly vanished. Working with the Veterans Administration and the Bureau of the Census, we are confident of the Department of Labor's ability to retrieve these suddenly lost data.

We are also pleased to note that S.999 includes a provision for an additional LVER in a local office for every 1500 applicants above the 1000 which mandate fulltime status. According to the Congressional Budget Office, there are approximately 160 such offices nationwide. Anyone who has ever visited or worked in a local employment office in a large city or high unemployment area recognizes that the workload of a conscientious LVER is overwhelming, and that providing each veteran applicant who visits and/or registers in that office with high quality service is nearly impossible. Moreover, it is apparent when one reviews the level of services in a large employment office, that veterans are, as a general rule, underserved. We believe that the additional LVER will greatly alleviate that problem .

Mr. Chairman, we applaud the provisions of S.999 which would make LVERs and their counterparts in the Disabled Veterans Outreach Program (DVOP) functionally responsible to the Department of Labor's State Directors for Veterans Employment. The relationship between State and Assistant State Directors is only tenuously outlined in current statute, and was long overdue for clarification. It has been my personal observation that the veterans employment program within the public employment service is most effective in those states where such a relationship exists. I have spoken with some officials associated with the employment service who are at first uneasy with this proposed requirement, until I have explained that "functional" supervision is quite distinct from "line" supervision, and that these provisions will in no way impose a dual management structure on the LVER or DVOP program. In the Legion's view, the assignment of functional responsibility should have two consequences: First, it will speed the development of a more nationally uniform position description, thus curtailing abuse of these positions by certain State agencies. Second, the requirement will become a part of the grant negotiation process, and the duties prescribed for LVERs and DVOPs under chapter 41 will become a clearer part of the grant.

Taken together, these changes in the LVER program should lend new strength to the public employment service's efforts to find jobs for our nation's veterans, provided that there is such an entity as an employment service. The American Legion continues to be concerned, however, about the Administration's proposal to disband the present system of employment service offices in favor of a decentralized state or locally operated labor exchange function. I do not believe that the Legion needs to remind this distinguished committee of the consequences of this proposal, which is often called "devolution." Much of what constitutes chapter 41 is built upon the underlying assumption that there will be a system of discrete public employment service agencies, operating in a partnership under Federal guidelines. It is our belief that any attempt to alter that system along the lines of the Administration's proposal will have a profound effect upon chapters 41 and 42, and will thus require careful scrutiny by the Veterans Affairs Committee as a part of the legislative process. The American Legion hopes that the Committee will closely observe the progress of any such devolution proposal, and take such action as necessary to protect the interest of veterans.

It is also gratifying to note that S.999 proposes to require by statute a National Veterans Employment and Training Institute. I have had the opportunity last week to visit the National Veterans Training Institute in Denver, and believe it to be one of the best initiatives in the veterans employment and training area during the last decade. The provision of professional training to those responsible for assisting unemployed and underemployed veterans is certainly greatly needed, as demonstrated by the experience of the Veterans Job Training Act with the non job ready veteran. Our only concern is funding for the Institute. Currently, the training is being paid for from "excess" LVER and DVOP funds. The variation in this "excess", however, concerns the Legion, as well as what may become a tendency to hold back funding, preventing one or both programs from being fully staffed as the Congress intended. We suggest, therefore, that section 2006 of chapter 41 be amended to include a provision which would require a separate line item for the Institute in the budget.

Mr. Chairman, we would now like to turn to the Veterans Job Training Act (VJTA) provisions of S.999. VJTA has now been with us since early 1984, and has placed into training well over 50,000 Vietnam-era and Korean veterans. We are grateful, in addition, for your support, and that of your colleagues on the Committee, for a two year reauthorization of the program, as well as for a supplemental appropriation to carry VJTA through the end of FY 87. We hope that the Committee will move swiftly on these measures to assure their passage this spring.

In its original form, VJTA was developed to respond to an historically high incidence of unemployment among Vietnam-era veterans. Yet, The American Legion believes that it is important to recall the second reason for VJTA's creation: the formulation of the Job Training Partnership Act (JTPA) in 1982. Unlike its predecessors, JTPA provided no preference, special consideration, or targetting of veterans. In order to meet the employment training needs of veterans, VJTA therefore served--and still serves--as an alternative source of job skills training. The Centaur studies of VJTA, however, make it clear that while the program may well serve those veterans who are job ready, it has few resources to provide the ancillary supportive services necessary to assure that the non job ready are able to benefit from their on-the-job training experience. The high attrition rate in VJTA does not warrant the conclusion that the program is not necessary. Rather, any program with such dropout rates highlights both the fact that there is a substantial core of veterans for whom transition back into the labor force is difficult, and that there are presently inadequate resources to assist with that transition.

S.999 attempts to address the supportive service issue principally through the addition of pretraining and reentry counseling requirements, as well as delayed training reimbursements to employers. The counseling requirements should certainly be useful in increasing program retention, as long as quality counseling is available and put to work. In our view, however, neither the VA nor the formal counseling provided on increasingly rarer occasions by the public employment service will be sufficiently available to all VJTA clients. We believe the Department of Labor and the Veterans Administration need to develop a comprehensive plan to implement these new provisions of law. First, we believe that an assessment system must be developed for use by LVERs and DVOPs in determining a prima facie need for counseling. This assessment would refer to professionally trained counselors those veterans most clearly in need of services and who are likely to benefit the most from it. Other veterans should be provided with more informal, but no less effective counseling in job adjustment. To this end, we believe the National Veterans Training Institute could develop training in such counseling, using train-the-trainer techniques in order to provide such training quickly. In any case, the counseling requirement should not be left to chance, but must be implemented through a rational and thorough planning. The agencies should also examine carefully the need for post-placement counseling, where voluntary counseling intervention could be useful in salvaging the relationship between the veterans and his or her employer/trainer.

Mr. Chairman, The American Legion does perceive some problems with the proposed adjustment of the employer reimbursement formula. On-the-job training under the Job Training Partnership Act pays the employer in the same way that present law requires under VJTA: 50 percent of the trainee's gross starting wages. We understand the reasoning behind the bill's proposal to alter the formula such that the employer receives 30 percent in the beginning and the remaining 20 percent as a lump sum at the conclusion of training. Our concern is that, even with the lump sum payment at the end of the training period, this change will render VJTA uncompetitive with its larger JTPA rival. We are, however, willing to test this change, as long as the Department of Labor and the VA carefully monitor its results, and the effect on employer participation. We believe that Congress should be ready to restore the original funding formula should this change result in a significant dampening effect upon employer acceptance.

We might add, also, that the Department of Labor should be examining the entire employer recruitment program. As it is currently operated, employer recruitment is conducted rather randomly, with insufficient regard to the job needs of veterans registered for work in the local office. We would suggest that the Department might institute a short term pilot project in some ES offices which would begin with an assessment of the job desires and capabilities of veterans actually registered in the file, followed by the development of a recruitment effort based upon the assessment results.

Mr. Chairman, S.999 is an ambitious piece of legislation which The American Legion fully supports. The measure attempts to resolve some urgent problems in the nation's veterans employment and training system. None of us in this room today, however, are so sanguine as to believe that the passage of this legislation will cure all of the ills of the present system. Other changes to chapters 41 and 42 of title 38 are going to be necessary, in our view, during the next year or two. While addressing in detail the role of veterans in this country's public labor exchange agencies, for example, chapter 41 only tangentially addresses the role of veterans in the nation's employment training system. The result has been a piecemeal effort--VJTA, HIRE, "special consideration" for veterans under CETA, just to name a few. We believe it is time to take a serious look at employment training in the context of chapter 41. Another issue of concern is the sunset provisions of chapter 42, which would statutorily abolish Vietnam-era veterans as a statutory group, references to which appear in abundance throughout chapters 41 and 42. There are other issues as well, including the fragile position of the Regional Directors for Veterans Employment and Training--the top field managers in the Veterans Employment and Training Service.

The American Legion thus views S.999, as we indicated in the beginning of our statement, as one of several steps in developing a permanent and flexible employment and training system for veterans. We look forward to working with you, your colleagues, and Committee staff in addressing these other vital issues in the coming months.

Mr. Chairman, we will now turn our attention to the other matter being considered for today's hearing. This is the legislation, S. 918, introduced at the request of the Administration and intended to make several modifications in veterans education programs.

Section 101 of this bill would amend section 1411 (c)(1) to allow an election not to participate in the basic educational assistance entitlement under Chapter 30 to be made within 14 days of entrance onto active duty, rather than at the time the individual offers a period of time for the enlistee to consider this education program and its potential benefits prior to the time that a final decision is required.

Section 102 would amend Chapter 31 so as to delete the provision for advance payment of subsistence allowance for the vocational rehabilitation program. Advance payment of education benefits was originally granted to those under Chapter 34 in the mid 1970s. It was extended to Chapter 31 in 1980. Although the Veterans Administration pays the training costs in a program of vocational rehabilitation, there are additional expenses involved with beginning such a program. These involve travel, lost wages and other issues which may create a need for the advance payment. Therefore, The American Legion would not support this proposal.

Section 103 of the bill would delete the advance payment of a portion of the VA workstudy allowance. As we understand it the reasoning for this legislation is that overpayments are a major problem in this program. The overpayments apparently stem from large numbers of veterans dropping out of school. Administrative offsets are not feasible and the payments are relatively small. It would appear to us that there exists a lack of administrative control to prevent such overpayments. The Administration's solution is to discontinue the benefit rather than to correct the situation. We do not support this proposal.

Section 104 of the measure would amend the definition of the term "standard classroom session" pertaining to laboratory instruction to reflect current institutional practices of having lab instruction courses of two 50 minute periods rather than a standard two hour lab. This is a technical amendment to which we would not offer objection.

Section 105 would delete the current requirement of annual compliance surveys of institutions offering approved courses in which 300 or more veterans are enrolled or which offer NCD courses. Surveys would be conducted "whenever appropriate and in the best interests of the Government". The reason behind this proposal is that it would reportedly permit a more effective use of VA personnel and still maintain active and effective enforcement of the law and regulations.

It would appear to us that these surveys, completed on a regular basis, are an essential means of ensuring the compliance of schools with the law and regulations. In addition, regularly conducted surveys should be a significant factor in reducing the overpayment problem. Therefore, we would not support this provision.

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Section 106 would amend section 3013 of title 38, to require that awards under Chapter 32 (VEAP) correspond to the extent feasible with the effective dates relating to awards under the other education programs included in this title. This is a technical amendment to which we would have no objection.

Section 201 of the bill would repeal the authority that permits the Veterans Administration to make education loans where there is unused entitlement remaining at the expiration of a veteran's delimiting period, provided he or she was pursuing a program of education on a full-time basis at the time. This has been attempted several times in the past. Although, an earlier cost-savings measure, the Omnibus Budget Reconciliation Act of 1981, limited the number of individuals eligible for VA education loans, those who retain eligibility and who depend on these loans could be forced to discontinue their program of education or training. Thus, The American Legion opposes this initiative as we have previously.

This section would also amend sections 1682A and 1738 which authorize eligible veterans and eligible persons, respectively, to receive education loans in the form of accelerated payments of educational assistance allowances. Accelerated payment under these sections was made contingent upon establishment before November 24, 1982 of programs by States to pay the VA amounts which would match the accelerated payments authorized by VA. Since no States participated in this program, and the lifetime of the program has expired, we would not object to the repeal of these sections.

Mr. Chairman, that concludes our statement.

STATEMENT OF
RONALD W. DRACH
NATIONAL EMPLOYMENT DIRECTOR
DISABLED AMERICAN VETERANS
BEFORE THE
VETERANS AFFAIRS COMMITTEE
OF THE
UNITED STATES SENATE
April 30, 1987

MR. CHAIRMAN AND MEMBERS OF THE COMMITTEE:

On behalf of the more than 1.1 million members of the Disabled American Veterans and its Ladies' Auxiliary, I am pleased to appear before you today to discuss S. 999. We particularly want to thank you, Mr. Chairman, and Senators Matsunaga and DeConcini for the swiftness with which you have moved to improve veterans' employment and training programs so early in the 100th Congress. The Disabled American Veterans thanks you.

Mr. Chairman, many of the amendments to Chapter 41, Title 38, U.S. Code, proposed in S. 999 are long overdue. We are very pleased to note that Section 2 of the bill would require that DVOP personnel be functionally responsible to State and Assistant State Directors for Veterans' Employment and Training.

As you know, these individuals are state employees and are subject all too often to the whims of the local Office Manager. This results in their performing duties other than direct veterans' services. Making them responsible to the Veterans' Employment and Training Service should enhance their veterans' employment activities.

Under current law, the only real authority the Assistant Secretary has is to assure that the positions are filled and, on a periodic basis, monitor activities to determine compliance. We believe this current system is woefully inadequate to assure meaningful employment and training and, particularly, outreach activities on the part of DVOP personnel.

We view with interest the proposal that would mandate LVER positions on the basis of a formula using veterans registered during a 12 month period, or a service area veteran population formula.

We certainly agree that a numerical formula is necessary to assure an adequate number of LVERs. However, we urge you, Mr. Chairman, to consider the potential problems associated with a numerical formula based on veteran registrations.

The potential for manipulation of those data is of major concern to us. We believe that a veteran population formula should be substituted with one similar to that currently used for the assignment of DVOP personnel. In the event that the existing proposed formula is retained, please consider clarifying language which would include new and renewal applicants. Current language could be interpreted to restrict the registrants to only new applications.

The other danger in retaining the proposed formula, Mr. Chairman, is that it only captures those veterans who are actively seeking employment through the Job Service. We know that there are many veterans who have stopped using the Job Service for various reasons, including those who are out looking for employment on their own or who have dropped out of the workforce totally.

We also agree that similar to DVOP personnel, LVERs should be functionally responsible to State and Assistant State Directors for Veterans' Employment and Training. We support the requirement that LVERs discharge their duties exclusively to providing services to veterans.

The provision to have the LVERs assure counseling services are provided to eligible veterans under the Veterans Job Training Act is necessary. We strongly believe that an effective counseling effort would go far in reducing the high dropout rate in VJTA. The DAV supports statutorily established uniform performance standards for DVOP and LVER personnel. This again is needed to assure national uniformity in how DVOP and LVERs perform their duties.

We also support the requirement that an Assistant State Director participate in the annual performance rating of LVERs. This is certainly a natural extension of the functional responsibility concept.

Mr. Chairman, we also support the remaining changes relative to Chapter 41 contained in S. 999.

We would, however, emphasize our commitment to and support of the codification of a National Veterans' Employment and Training Service Institute established to provide ongoing training to LVERs, DVOPs, as well as State and Assistant State Directors for Veterans' Employment and Training "...and such other personnel involved in the provision of employment, job training, placement, or related services."

With the possible exception of the Administration, you will most likely find no one who opposes this idea. The Disabled American Veterans has long advocated the need for a national training program for these individuals and one has been established, administratively, in Denver, Colorado.

Assistant Secretary Shasteen is to be commended for his insight and action to fulfill that need. The codification of such a program is the next logical step to assure that existing personnel, as well as future personnel, have the opportunity to receive this much needed training.

Mr. Chairman, I have reviewed the curriculum used in Colorado. I have participated and spent several days at the institute in Denver and am very pleased to report that the University of Colorado has done an outstanding job of pulling together resources and knowledgeable persons to set up this program.

Mr. Chairman, scores of LVERs, DVOPs, office managers and others have gone through the training program in Denver. I offer for your consideration a few select testimonials from people who have participated.

> The week I attended proved to be one of the most intense weeks I have had in a long time. After getting back to reality, I found that I had gained something from every presentation, even the ones that I had considered not useful. (DVOP)
>
> I must say that it was by far the most rewarding and enlightening training I have experienced in my job as a DVOP...I have had many training sessions put on by the state but none can match this. My only hope is that these sessions can be ongoing and updated as we progress into the future. (DVOP)
>
> It was not only enlightening, but definitely the best that I have ever attended. (LVER)
>
> The National Veterans' Training Institute Program was intense both intellectually and emotionally. It was by far one of the best training programs I have attended. (LVER)
>
> What a splendid training experience. (DVOP)
>
> The NVTI course was absolutely the most meaningful, impressive, and enjoyable training I have ever received. (LVER)
>
> I recently completed one of the most enlightening experiences of my career -- a training course which, by the time it was over, became a very personal, emotional, and fulfilling happening.
>
> I feel, because I am a supervisor, that management and supervision should be encouraged to attend this meeting. It was most informative both from the fellowship of the trainees and the instruction given. (ES Supervisor II)

Mr. Chairman, we would now like to turn to some of the amendments being offered to the Veterans' Job Training Act.

We fully support your effort to authorize an additional appropriation of $60 million for each of Fiscal Years 1988 and 1989 for the Veterans' Job Training Act. We believe this, coupled with the other changes proposed in S. 999, significant strides will be made in alleviating the unemployment problems of Vietnam era and disabled veterans.

The provision to adjust the payment to employers, in our opinion, offers an incentive for employers to retain veterans throughout the entire training period. This, coupled with the Chapter 41 requirement to provide counseling, should enhance the veteran's ability to complete the program and transition into permanent competitive employment.

The Disabled American Veterans has long advocated the need for case managers to assist in the assimilation and provision of employment services. The idea of assigning a case manager to each veteran entering a VJTA training program is indeed commendable and visionary. The only suggestion we have would be, in addition to supportive help from the Vet Center counselors, to have supportive help from the Vocational Rehabilitation Specialist of the Vocational Rehabilitation Program.

We believe that the program of counseling services established in S. 999 that incorporates readjustment counseling services at Vet Centers, veterans' benefits counselors at VA Regional Offices and the counselors at the Career Development Centers, should also include Vocational Rehabilitation Specialists.

Mr. Chairman, there are many who may say S. 999 goes too far and tries to do too much. We think not. We are very pleased with this bill as is and only suggest your consideration to changing the LVER assignment formula.

Mr. Chairman, we would also urge you to consider the following recommended changes to Chapter 41.

Section 2003 currently mandates the assignment of a State Directors for Veterans' Employment and Training, an Assistant State Director and full time federal clerical support staff. It does not provide for the assignment of a Regional Director for Veterans' Employment and Training.

Section 2003 should be amended to mandate such a position. We also believe that there should be one in each of the ten federal regions as other components, including the Employment and Training Administration, have within the Department of Labor.

Several years ago, the Veterans' Employment and Training Service consolidated Regions IX and X and stationed the Regional Director in Seattle. This, of course, removed a Regional Director from the previously identified Region X which included California, the state of the Chairman. The Denver Region has been abolished and consolidated with the Kansas City Region and headquartered in Kansas City. The New York and Boston Regions have been consolidated with headquarters in Boston. It is our opinion that, in order to have an effective network, a line of progression must go from the national office to ten regional offices, then to the states.

Section 2002A requires an Assistant Secretary of Labor for Veterans' Employment be appointed by the President. This is commonly known as a Schedule C political appointment. The legislation is silent with respect to a Deputy Assistant Secretary but such a position has been encumbered and it, too, has been identified as a Schedule C political appointment.

Since the Assistant Secretary is subject to serve at the pleasure of the President and, as such, is not guaranteed employment, this obviously results in a probable change of personnel with every change in Administration. We have had two Assistant Secretaries during the two Reagan Administrations.

We believe that in order to provide continuity a Deputy Assistant Secretary should be mandated. The individual should be in a career Senior Executive Service position. We would urge an amendment to Section 2002A to reflect that need.

Section 2003(b)(1) requires the State and Assistant State Directors be an eligible veteran "who at the time of appointment has been a bona fide resident of the state for at least two years." In our opinion, this requirement is extremely restrictive to the upward mobility potential of existing Assistant State Directors.

These individuals, under current law, are restricted to applying for State Director jobs only in the state in which they reside. Many of these individuals have shown outstanding ability and attributes but are unable to be promoted to State Director positions in other states. We believe that an adequate waiver of the residency requirement would be to allow Assistant State Directors with two year's experience to be considered for State Director vacancies in states in which they do not reside.

Mr. Chairman, this concludes my prepared statement and again I would like to thank you for your early action in introducing S. 999. We urge the Committee to take rapid action to have S. 999 passed by the entire Senate and submitted to the House for its consideration.

I would be happy to answer any questions you may have.

VETERANS OF FOREIGN WARS OF THE UNITED STATES

OFFICE OF THE DIRECTOR

STATEMENT OF

GORDON R. THORSON, SPECIAL ASSISTANT
NATIONAL LEGISLATIVE SERVICE
VETERANS OF FOREIGN WARS OF THE UNITED STATES

BEFORE THE

COMMITTEE ON VETERANS' AFFAIRS
UNITED STATES SENATE

WITH RESPECT TO

VETERANS' EMPLOYMENT AND TRAINING
AND
VETERANS' EDUCATIONAL ASSISTANCE IMPROVEMENTS ACT OF 1987

WASHINGTON, D. C. **APRIL 30, 1987**

MR. CHAIRMAN AND MEMBERS OF THE COMMITTEE:

The 2.7 million men and women of the Veterans of Foreign Wars of the United States and its Ladies Auxiliary welcome this opportunity to express the viewpoint of our proud organization. It is my privilege to have been selected to represent the VFW's stance on these issues before this important Committee.

The invitation to this hearing clearly outlined the three areas of concern: First, S. 999, the proposed "Veterans' Employment and Training Amendments of 1987;" second, legislation which would authorize "Veterans' Job Training Act (VJTA) Appropriations for Fiscal Years 1988 and 1989;" and third, S. 918, the proposed "Veterans' Educational Assistance Improvements Act of 1987." I will come directly to the point of this hearing and address each area of concern in the order stated.

Senate bill, S. 999, the proposed "Veterans' Employment and Training Amendments of 1987" was introduced by the Senate Veterans' Affairs Committee Chairman, Senator Alan Cranston, and cosponsored by Senator Matsunaga and

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Senator DeConcini. This measure is intended to improve veterans' employment, job training and counseling services and programs. S. 999 would amend Chapter 41 of Title 38, United States Code and the "Veterans' Job Training Act."

Please note that the Veterans of Foreign Wars passed the attached Resolution Number 634, entitled "Veterans' Job Training Act," at our most recent Convention and this resolution clearly outlines suggestions we believe are necessary to improve VJTA.

The Committee should be commended for their innovative approach and many valuable recommendations. However, in our opinion, some additional changes are needed to significantly improve Chapter 41 and adequately fulfill the current employment and training needs of veterans.

The Veterans of Foreign Wars has reviewed the text of S. 999 and we would like to suggest the following improvements:

Sections 1, 2, 3, 7, and 8 are supported by the VFW;
Sections 4 and 6 no objection, however need expansion; and
Section 5 and part of Section 9 does not enjoy VFW support.

Section 1, only identifies the title and does not require any change or addition.

Section 2, would require that Disabled Veterans' Outreach Program (DVOP) Specialists be responsible to State Directors of Veterans Employment and Training (SDVET) and Assistant State Directors of Veterans Employment and Training (ASDVET). The VFW agrees with this requirement.

Section 3, would provide for a more effective utilization of Local Veteran Employment Representative (LVERs). We support this proposal to establish a formula by law that provides for the placement of full-time LVERs in each Employment Service Office. We also applaud the requirement that LVERs be veterans as the law presently does with respect to DVOPs. The VFW passed the attached Resolution Number 679, entitled "Local Veterans Employment Representatives (LVERs)," at our most recent National Convention, our resolution supports this change.

Section 4, is designed to set performance standards for LVERs and DVOPs while establishing accountability. Inasmuch as it is commonly accepted that the Regional Director of the Veterans Employment and Training Service plays a critical role in the administration of veterans' programs and this is the only position not mandated by Chapter 41, we strongly encourage further modification of Chapter 41 to include language providing for this regional administrator's role. Our membership passed the attached Resolution Number 730, entitled "Establishment of Regional Directors for VETS," asking that the Regional Director position be authorized by law.

Section 5, would require that the Secretary of Defense provide the Secretary of Labor and the Administrator of Veterans Affairs the current list of employers participating in the National Committee for Employer Support of the Guard and Reserve (NCESGR) and a monthly update of the NCESGR listing. We suggest that inasmuch as the Assistant Secretary of Veterans' Employment and Training should already be working closely on a routine basis with the NCESGR as well as the Committee for Employer Support of Veterans' Employment from the Veterans Administration, the Small Business Administration, Chambers of Commerce, National Alliance of Business, National Federation of Independent Business and many other representatives of the private sector, it is unnecessary to mandate information already administratively available to the ASVET.

Section 6, would clarify the responsibilities of Employment Service personnel in each of our 50 states. We agree that the DVOPs and LVERs must provide needed counseling services. This service should not be limited to only those specifically applying for VJTA but expanded to allow counseling to all veterans applying for employment and training programs.

Section 7, would establish and make permanent the National Veterans Employment and Training Service Institute (NVETSI). The pilot program initiated by the ASVET has received many favorable reports and the VFW wholeheartedly agrees with the continuance and expansion of this training program. We visualize unlimited potential as this training program becomes a permanent resource of the Department of Labor (DOL) and suggest that funding for NVETSI be established as a separate line item within the ASVET annual budget. This dual purpose program would train employment personnel and also serve as a resource library of employment and training information. The informational material would then become available to any interested state or federal agency. We further note and agree that the current course syllabus needs expanding to provide specific training on vocational and guidance counseling techniques.

Section 8, would require that each VA Regional Office provide the Public Employment Service and the Department of Labor with frequent updates of employers approved for VJTA. The VFW believes that this requirement can only serve to further improve cooperation and coordination between agencies, the employers and the prespective veteran participants.

Section 9, would modify the formula used to reimburse employers participating in the VJTA program. Section 9, also would require that each veteran participant be assigned a case manager and be provided full-related counseling services. The VFW is highly supportive of the case-manager concept and we concur that professional, vocational and guidance counseling is a much needed support service. The Centaur Report indicates that 2/3 of the VJTA training dropouts occurs during the first three months. After reviewing the information concerning voluntary and involuntary terminations, it appears that the vast majority of dropouts were the result of poor performance, absenteeism and emotional difficulties. This data suggests a need for providing better job preparedness to participants by providing a case worker/counselor support system.

Though we agree with the overall intent of Section 9, to reduce the dropout rate, we do not agree with the plan to modify the employer reimbursement formula. Currently, VJTA employers receive 50 percent of the veteran's wages throughout the training period. Employers, according to Centaur, overwhelmingly support the continuation of VJTA, and expressed support for the direct training cost reimbursement. These employers also found the current administration of the program not burdensome. We believe that by establishing a formula system of payment, the program could become cumbersome to oversee and burdensome for the employer; thus, causing potential employers to shy away from participation. Let's continue to encourage employer participation while improving veteran participants job preparedness and adjustment.

The VFW would like to suggest one additional refinement of this bill. In order to ensure program continuity, the current Schedule C Deputy Assistant Secretary for Veterans Employment and Training (DASVETs) should be changed to a career Senior Executive Service (SES) position.

The second main area of concern to be addressed at this hearing is the amendment to authorize VJTA appropriations of $60 million for each of Fiscal Years 1987 and 1988. This change was recently offered as Substitute Amendment Number 160. We have reviewed the entire text of the amendment and the suggested appropriation appears to meet the minimum funding level necessary to continue VJTA. We support funding for this worthy program.

VJTA is the only veterans' employment and training program remaining on the books and, most importantly, VJTA is a proven success at providing a much needed service. The VFW maintains that this program should be fully funded, extended and even expanded as needed to help ensure that the veterans of this nation are given the opportunities they fought so hard to preserve.

Finally, let's take a look at S. 918, the proposed "Veterans' Educational Assistance Improvements Act of 1987," introduced at the request of the Administration. Though the title of this bill cites "improvements" to educational benefits, we found mostly benefit eliminations. Section 102 would eliminate advance payments of subsistence allowances under Chapter 31, Section 103 would eliminate advance payment under the work-study program, and Section 201 would eliminate the VA education loan program. The administration justifies these eliminations by suggesting that these "improvements" would end overpayments and loan defaults in these programs.

The VFW does not believe that needed benefits should be eliminated just to protect the Administration from a few abusers. These benefits have provided may honest and deserving veterans with the financial assistance necessary to pursue a higher education. We will oppose any reduction of educational benefits.

The New GI Bill has proven to be a highly successful program and the VFW is in favor of making it a permanent program, funded by the Veterans Administration. Currently military recruits are automatically enrolled in the program upon enlistment. Section 101 of S. 918 would amend the New GI Bill to require that the recruit declare his/her election not to participate within two weeks of enlistment. Our organization has not been made aware of any problems associated with program enrollments and we therefore hesitate to support legislation that could alter this very workable program.

In conclusion, the Veterans of Foreign Wars supports VJTA and therefore we agree with the intent of S. 999 to improve the VJTA program. We oppose the elimination of worthwhile veterans benefits; therefore, we oppose S. 918.

Thank you.

Resolution No. 634

VETERANS' JOB TRAINING ACT

WHEREAS, the Emergency Veterans' Job Training Act (Public Law 98-77) was enacted to address the problem of severe and continuing unemployment among Korean and Vietnam era veterans, and Public Law 99-238 was enacted to extend and enhance this important Veterans' Employment and Training Program; and

WHEREAS, veterans of the Vietnam and Korean eras continue to endure high unemployment and experience difficulties in obtaining meaningful employment; now, therefore

BE IT RESOLVED, by the 87th National Convention of the Veterans of Foreign Wars of the United States, that we request the Congress of the United States to:

1. Extend the Veterans' Job Training Act initial applications and training deadlines until November 30, 1991 and December 31, 1991, respectively.
2. Change veterans' eligibility, reducing the period of unemployment from 10 of the preceding 15 weeks to 5 of the preceding weeks.
3. That adequate funding be authorized and appropriated to the Veterans Administration and that these funds remain available through December 31, 1992.
4. That out of the total appropriation, administrative funds be allocated for the purpose of conducting outreach to promote awareness of the veteran and the employer communities.
5. Enact legislation to include within Veterans' Job Training Act provision for vocational education programs to be provided through December 31, 1991.

Adopted by the 87th National Convention of the Veterans of Foreign Wars of the United States, held in Minneapolis, Minnesota, August 15-22, 1986.

Resolution No. 634

Resolution No. 679

LOCAL VETERANS EMPLOYMENT REPRESENTATIVES (LVERS)

WHEREAS, Section 2004, Chapter 41, of Title 38 United States Code, which in part describes the qualifications of the Local Office Employment Representative reads "--- preferably an eligible veteran," thus making it possible for a nonveteran to fill this strictly veteran related position; and

WHEREAS, the current ASVET policy causes continual fluctuations in the number of LVER positions and has adversely impacted upon the employment services provided to veterans; now, therefore

BE IT RESOLVED, by the 87th National Convention of the Veterans of Foreign Wars of the United States, that we seek to change Section 2004, Chapter 41 of Title 38 United States Code, by deleting the phrase "preferably an eligible veteran" and substituting the phrase "must be an eligible veteran" in its place; and

BE IT FURTHER RESOLVED, that we seek legislation to change Section 2004, Chapter 41, Title 38 United States Code to support the assignment of full-time LVERS based upon the local office area population of 6000 veterans and/or 1000 new and renewal veteran applications each program year in order to provide a stable staffing level for their positions.

Adopted by the 87th National Convention of the Veterans of Foreign Wars of the United States, held in Minneapolis, Minnesota, August 15-22, 1986.

Resolution No. 730

ESTABLISHMENT OF REGIONAL DIRECTORS FOR VETS

WHEREAS, the Congress of the United States enacted legislation providing for a Veterans' Employment and Training Service within the U.S. Department of Labor; and

WHEREAS, Chapter 41, Title 38, U.S. Code, provides that the VETS shall be responsible for job training, counseling and placement service for veterans to be administered by an Assistant Secretary of Labor for VETS; and

WHEREAS, the Regional Veterans' Employment Representatives have been appointed, although not authorized by law, to supervise the State Directors and Assistant State Directors for the VETS in their respective regions in serving veterans; and

WHEREAS, the Regional Veterans Employment Representative, with secretarial assistance, provide a most necessary service in carrying out the mandates of Congress to serve veterans; now, therefore

BE IT RESOLVED, by the 87th National Convention of the Veterans of Foreign Wars of the United States, that we go on record petitioning the Congress of the United States to enact legislation to amend Chapter 41, Title 38, U.S. Code, to establish the Regional VETS Representative by law.

Adopted by the 87th National Convention of the Veterans of Foreign Wars of the United States, held in Minneapolis, Minnesota, August 15-22, 1986.

Resolution No. 730

Statement of
James G. Bourie
National Service Director
AMVETS

Before the
Veterans Affairs Committee
U.S. Senate
on

S999: Veterans' Employment, Training and
Counseling Amendments of 1987

S_____: Funding of the Veterans' Job Training Act

and

S918: Veterans' Educational Assistance
Improvements Act of 1987

April 30, 1987

Mr. Chairman, the American Veterans of World War II, Korea and Vietnam (AMVETS) thanks you and this Committee for the opportunity to express its views on S999: Veterans' Employment, Training and Counseling Amendments of 1987 which would make several amendments as to how veterans' employment and training services are provided under Section 41 of title 38, U.S.C.

Before we begin, AMVETS wishes thank and compliment this Committee for its active concern over the pressing issues of veterans' employment and training. Under your direction Mr. Chairman, AMVETS looks once again to your leadership and pledges its full cooperation and support.

Regardless of official statistics, veteran employment issues are real, for veterans of all eras and especially the disabled veteran. Also, a disproportionate share of the homeless and displaced workers are veterans and in times of economic down-turns, Vietnam era veterans are usually the first to be laid-off.

Over the years a plethora of programs and services have been enacted to assist veterans find gainful employment. Some have been successful, but short-lived; still others were abject failures. One victory was certainly the hard fought establishment of the position of Assistant Secretary for Veterans' Employment and Training Service to coordinate and control all veterans' employment and training programs within the Department of Labor.

In retrospect Mr. Chairman, the veterans service organizations and their Congressional allies have fought hard over the years for responsive and substantive veterans employment and training programs, it was always an uphill fight. It is most disappointing and frustrating that when it comes to federal employment and training programs, veterans are not included; not included in any meaningful way in the Job Training Partnership Act; not included in any of the Administration's employment and training proposals. We must fight for every inch, yet it is often a losing battle.

We hope that S999 will help in the administration of veterans' employment and training programs and services. AMVETS does not oppose Disabled Veterans Outreach Program Specialists (DVOPs) being functionally responsible to the State Director for Veterans' Employment and Training Service. In fact, it is a logical move since many DVOPs are utilized in a non-DVOPs role and, like the Local Veterans Employment Representative (LVERs) in many Job Service offices, used for non-veteran work. We also have no objections regarding the LVERs; the placement ratio; functional responsibility; counseling Veterans' Job Training Act eligibles. We especially support veterans' preference of LVERs; the exclusivity requirement and the tighter administrative controls on LVER funding.

AMVETS further supports the evaluation performance of LVERs and the uniform performance standards for both LVERs and DVOPs with monitoring provided by the Veterans Employment and Training Service (VETS). However, we must caution not to become too uniform; that is, LVERs and DVOPs must be judged by differing program performance standards. Differing local economies must also be taken into account. It is a good proposal to have LVER and DVOP performance monitored by the VETS.

There is no reason why the Department of Defense (DOD) should not be included in the promotion of veterans' employment and training services through whatever sources it has at its disposal. A representative of the DOD attends the Secretary of Labor's Veterans' Employment Committee and there have been certain joint activities with the National Committee for Employer Support for the Guard and Reserve (NCESGR). On a more formal basis, AMVETS does not object to the DOD supplying both the Department of Labor and VA with the NCESGR employer list on a monthly basis. There might, however, be some delay or confusion as to what those agencies are suppose to do with the list, as well as the logistical and administrative difficulties that might arise.

With regard to veterans' employment and training measures under the Veterans' Job Training Act (VJTA), we have no objections, and indeed endorse the idea wherein the Secretary for Veterans' Employment and Training Service take a more active role in VJTA registration and placement as well as having DVOPs counsel eligible participants. All veteran service providers need to take a more active and aggressive hand in the Job Training Partnership Act (JTPA) as far as veterans are concerned as veterans are left out of the JTPA mainstream.

Mr. Chairman, AMVETS knows first-hand of the excellence of the National Veterans Training Institute (NVTI). We have been a presentor and have otherwise kept abreast of the NVTI's progress. It is an outstanding program with dedicated and committed staff under the capable leadership of Mel Cozzens, its director. If nothing else, the NVTI needs to continue on a permanent basis, and we applaud this Committee for taking those steps. However, there is no provision for continued funding. We recommend amending language to attach the NVTI to the Office of Assistant Secretary for Veterans' Employment and Training and that the NVTI be made a permanent and identifiable part of the OASVETS' budget submission. Otherwise, while on the books the NVTI may not be funded. This has happened to good programs in the past.

We agree and support the provisions Mr. Chairman that would make the VETS, to include DVOPs and LVERs, more administratively responsible and active in the providing of services and programs. The VETS is now the perhaps least federal program for information flow and management, although the ASVET is currently rectifying that situation. DVOPs, LVERs and others are not now held really accountable for services and some veteran service data either is of no real use or is not shared on a national basis.

In all Mr. Chairman, AMVETS is supportive of the thrust of S999 but cautions not to attempt to manage all veteran services and programs through legislation. We certainly do not want the field manager's hands tied, or for that matter program managers. We suspect that if this legislation passes, some local Job Service office managers (and some state administrators) will have their noses out of joint as they will be required to utilize DVOPs and LVERs for exclusive veteran services, an elite cadre of professionals. That sort of situation must be watched closely by the VETS for compliance. DVOPs and LVERs remain state employees and S999 will be of little use or protection in some local offices. The ASVET will need to take a strong hand with some of the state administrators when found out of compliance--no idle threats, but swift action. There might also be the problem of additional funding and staff needs to administer many of S999's provisions, and we are not at all certain whether the department or OMB will approve additional OASVET funds. Mr. Chairman, hopefully, Amendment 160 to S.999 which you introduced on 24 April 1987, authorizing $60M for the VJTA for each of the next two fiscal years and extending the deadlines for application and participation in the programs to June 30 and December 31, 1989 respectively will effectively address this contingency.

As an additional recommendation Mr. Chairman, AMVETS would like to see Section 2010(b)(1) Secretary of Labor's Committee on Veterans' Employment be amended to include the U.S. Postal Service and the Secretary of Education. Both are concerned, in many ways, with veteran issues.

On the matter of S___ which would authorize Veterans' Job Training Act appropriations of $60 million for each fiscal years 1988 and 1989, AMVETS supports the measure as we are totally supportive of the program. We would, nonetheless, like to see the program opened to include veterans of all eras who meet the unemployment criteria. We would also like to see a small portion of the amount appropriated used for administration and a small portion retained for perhaps outreach or other direct veteran activities or programs

With respect to S918: Veterans Educational Assistance Improvements to Chapter 30 of Title 38, U.S.C., better known as the New GI Bill. As you will recall Mr. Chairman, AMVETS was one of the first veterans service organizations to endorse and promote legislation for a "New GI Bill." We still support the program and will support amendments that will improve the program in a fashion commensurate with its intent.

As we review the proposals of S918, we find no disagreeing features and thus support its passage.

Mr. Chairman, we have attempted to cover a lot of ground and sincerely hope that our comments will be of some help to the Committee.

Thank you for allowing AMVETS the opportunity to appear.

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STATEMENT

of

RICHARD F. WEIDMAN

Director of Government Relations

VIETNAM VETERANS OF AMERICA

on
S.999 - "Veterans Employment, Training,
and Counseling Amendments

Before the

COMMITTEE ON VETERANS AFFAIRS

UNITED STATES SENATE

APRIL 30, 1987

Mr. Chairman, Vietnam Veterans of America (VVA) appreciates this opportunity to present our views here this morning on issues affecting delivery of employment and training services to veterans, particularly Vietnam theatre and disabled veterans. As you and your distinguished colleagues are keenly aware, the opportunity to secure meaningful employment is an inextricable and key element of readjustment counseling. We are deeply grateful to you for your early and strong leadership in this area. VVA applauds these latest efforts to solidify the structure of service delivery to ensure that veterans in need of employment placement services receive such services, and that those who are in need of training and/or supportive services in order to gain employment similarly receive such services in an effective and timely manner.

In regard to S. 999, Vietnam Veterans of America generally supports the proposed "Veterans Employment, Training and Counseling Amendments of 1987." This proposed legislation is basically an effort to strengthen Chapter 41 of Title 38 of the U.S. Code, an effort that VVA fully endorses. Two major weaknesses of Chapter 41 have become increasingly clear in the last six years, that need be directly and forcefully addressed. The lack of statutory definition of the purpose, duties, and particularly the lack of a mandated number of Local Veterans Employment Service Representatives (LVERs) based on population of veterans served has left this program vulnerable to arbitrary cuts by the Office of Management and Budget (OMB). This is addressed in Section 3 of S. 999, which mandates a formula for funding LVERs based on numbers of veterans seeking services, in a manner similar to that previously existing for Disabled Veteran Outreach Program Specialists (DVOPs). VVA strongly endorses this approach. The current Administration has tried, (unfortunately somewhat successfully,) to greatly diminish the LVER program in each of the last five proposed budgets.

The second aspect of Chapter 41 that is addressed to some degree in S. 999 is the question of adequate authority and accountability of personnel funded by the U.S. Department of Labor for performance of duties serving veterans at the service delivery level. Essentially the Assistant Secretary of Labor has not had adequate control over DVOPs and LVERs, who are the ones who actually deliver a major part of the services mandated under this Title. This means that the Assistant Secretary of Labor for Veterans Employment and Training (ASVET) has not had sufficient authority as to be commensurate with ASVET responsibilities. S. 999 moves in the right direction of giving Veterans Employment and Training Service (VETS) personnel functional control and monitoring of performance evaluation of DVOPs and LVERs by means of standards developed by the Secretary of Labor. VVA would point out that this strengthening of the authority, as well as of the elements and standards attached to federal funding of these programs, will only be effective if in fact there is genuine commitment on the part of the Secretary of Labor to hold states accountable for ensuring that DVOP and LVER personnel are properly trained, supported, and allowed to do their jobs. Specifically we are referring to our belief that many of these personnel have not been trained and are not supported properly by the Employment Service within which they work. Further, VVA still receives complaints from DVOPs and LVERs that they are forced to spend time dealing with non-veteran clients and/or non-veteran related functions. More effective monitoring and evaluation of the actual time spent performing specific tasks is needed. More determination to use the management tools by DoL is also needed. The proposed provisions, if utilized properly, should largely meet this need.

VVA is extremely supportive of the provision that would legitimize the existence of the "National Veterans Training Institute" (NVTI). The creation of NVTI is one of the most important developments for veterans at the Department of Labor in the past ten years. VVA suggests that you consider going even further with this provision to mandate that NVTI be funded at a level adequate to maintain current levels of activity while expanding the training programs offered as would be appropriate to train all U.S. DoL funded personnel in their special responsibilities toward veterans, particularly special (ie. service connected) disabled veterans. It should be noted that over half of the services provided by the State Employment Services (S.E.S.) to veterans are provided by personnel other than DVOPs and LVERs. It is worth remembering that the DVOP and LVER programs were created to assist the State Employment Services in doing a better job of meeting the needs of veterans, not to bear the entire brunt of the task. Therefore, NVTI training for DVOPs, LVERs and VETS personnel as crucial as it is, only meets part of the need. Training "packages" that can be delivered to S.E.S. personnel in a given state is the next logical step of assisting people in understanding their job in regard to veterans and how to accomplish that job more effectively.

In regard to "Sharing of Information Regarding Employers" (Section 8), VVA urges the Committee to examine the possibility of requiring the Secretary of Labor and the Veterans Administrator to report on a regular and recurring basis to the Congress with a specific and thorough performance evaluation of cooperation and coordination efforts between the two agencies. It is clear that the "Interagency Working Agreement" signed in the summer of 1984 has not achieved the level of desirable coordination between VA and VETS personnel at either the national, regional, or local level. As you are aware, Mr. Chairman, significant employment problems are reported by almost half of the veterans seeking help from Vet Centers, operated by the Readjustment Counseling Service of the Veterans Administration. The inter-related nature of employment problems and readjustment counseling seems to be well established to any who will take the time to consider this area of concern. VA and DoL can and must do a better job of working together at every level.

Mr. Chairman, Vietnam Veterans of America would suggest that you consider adding a provision as part (a)(5) under Section 2009 of Chapter 41 to the effect that "the Secretary shall:

> "5. ensure that the special needs of combat theatre and disabled veterans are fully addressed by all training programs administered by, or funded by the U.S. Department of Labor, and that elements and standards be promulgated for all such programs to ensure and monitor compliance with the provision."

One of the major difficulties with the current structure is that unless veterans are specifically "written in" to legislation at the Federal level, veterans are specifically "read out" of employment and training programs at the state and local level. This is particularly true in regard to training programs such as the Job Training Partnership Act (JTPA), at least in the major titles. The above suggested provision, (or one akin to it) would clarify that it is the express intent of the Congress that veterans be fully and properly served, particularly those combat theatre and disabled veterans with special needs.

VVA would further suggest to the Committee that you consider mandating the positions of "Regional Directors of Veterans Employment and Training." The duties of the RDVETS would be to oversee, on a regional basis, all U.S. Department of Labor administered and U.S. DoL funded programs. As long as this is not a statutorily mandated position, the positions of RDVETS will be in constant jeopardy of elimination as ostensible "cost savings" measures. In fact, the RDVETS are a key link in the chain of command for the Assistant Secretary of Labor. Without effective presence at the Regional Office level it is unlikely that the concerns of veterans will be considered properly by the "Employment and Training Administration," among other programs administered under the U.S. Department of Labor. As you are aware, there were RDVETS in each of the ten U.S. DoL Regional Offices at the beginning of this Administration. That number has since been reduced from ten to seven, and is subject to further cuts as the situation now stands. We urge that the Committee move to ensure that these key links in an effective Veterans Employment and Training Service be preserved, by law.

The Bureau of Labor Statistics, U.S. Department of Labor, published a study of Vietnam theatre and service connected disabled veterans on March 31, 1986. That study documented what many in the veterans community had been maintaining for years in that it found that Vietnam theatre veterans and service connected disabled veterans were much less likely to participate in the labor force, and much more likely to be unemployed if they were still in the labor force. Producing similar data on a regular and recurrent basis, on at least an annual if not a semi-annual basis, was unanimously recommended by the Secretary of Labors Committee on Veterans Employment at the regular quarterly meeting of January 15, 1987. VVA respectfully suggests that a part (d) be added to Section 2007 to the effect that:

> "The Secretary of Labor shall cause the Bureau of Labor Statistics to regularly gather information on labor force participation and employment and unemployment rates among special disabled veterans and veterans who served in the Vietnam theatre of operations. The Secretary shall report to the Congress annually all such information, and shall consider such information in formulation of legislative recommendations as well as administrative initiatives within the parameters of other subsections of this Title."

VVA would further urge the Committee to favorably consider what is known as the "residency requirement" for persons applying for State Director of Veterans Employment and Training (SDVETS) positions. This requirement is contained in Section 2003, part (b)(1)(A) of Chapter 41. VVA would suggest simple deletion of the words "who at the time of appointment has been a bona fide resident of the State for at least two years." Mr. Chairman, much progress has been made by the Veterans Employment and Training Service (VETS) in recent years to professionalize the agency. More and better training of VETS personnel has been instituted. The VETS is now in the process of implementing a solid management by stated objectives system that should serve to further rationalize and improve the system. However, the anachronism of the residency requirement precludes advancement of talented Assistant State Directors of Veterans Employment (ASDVETS), particularly in large states like California. Frankly, preservation of the residency requirement may in fact be a vestige of what some have charged in the past was a semi-patronage system. In any case, VVA strongly urges the Committee to either eliminate it altogether or modify it so as to allow ASDVETS from other states to apply for vacant SDVETS positions.

In regard to Section 2009, part (b) of Chapter 41 of Title 38, the Secretary of Labor is required, pursuant to Public Law 97-306, to submit an annual report detailing the effectiveness of all Department of Labor programs in meeting the goals of each subsection as defined in the legislation. If such a detailed report has been submitted, it seems to have escaped the notice of those of us in the veterans service organizations who are interested in these issues. Of particular interest is the mandate for "such recommendations for further legislative action relating to veterans' employment as the Secretary considers appropriate." To our knowledge this Administration has yet to propose any legislation in regard to meeting the special employment and training needs of Vietnam theatre and service connected disabled veterans, or of veterans in general.

Vietnam Veterans of America strongly supports the proposed extension of the Veterans Job Training Act (VJTA). VVA would, however, suggest that there is merit in extending the authority for this program for at least three years. For over a decade there has been a general tendency to regard employment problems among veterans as being transitory in nature. It is abundantly clear to VVA that significant unemployment and underemployment problems persist on a continuous basis among special disabled and Vietnam theatre veterans. Efforts to assist these veterans have been greatly hampered by the "start-stop" nature of programs like VJTA. Indeed, the credibility of VJTA itself has been somewhat hurt by the interruptions in both funding and authority. Yet this program remains a valuable tool to assist "difficult to place" veterans. Therefore, with the counseling and case management approach mandated in Section 9, part (b) this program should be extended for another three years.

VVA does have some reservations about Section 9, part (a) "Payments to Employers." It has been our experience in any sort of disbursement program that the best program is the one with the simplest and most straightforward methology. While VVA endorses the motivation behind part (a) of rewarding employers for successfully assisting veterans through the program to completion, we fear that the proposed part (a) will only result in confusion and resentment among employers. It is the belief of VVA that the way to reduce the "drop-out" rate is active case management and delivery of supportive services to participants, especially in the first ninety days of their participation in the program.

In summation, Mr. Chairman, Vietnam Veterans of America strongly supports S. 999, and wishes to thank you for your continued leadership for veterans employment and training initiatives as a crucial element in readjustment counseling. VVA would hope that the aforementioned suggestions are of some use to you in making S. 999 an even stronger proposal.

Thank you for the opportunity for Vietnam Veterans of America to present our views before the Committee today.

BLINDED VETERANS ASSOCIATION
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THE BLINDED VETERANS ASSOCIATION REMARKS ON
S. 999
"PROPOSED VETERANS EMPLOYMENT, TRAINING, AND COUNSELING AMENDMENTS OF 1987."
AS PRESENTED BY
EXECUTIVE DIRECTOR RONALD L. MILLER, PH.D.
BEFORE A HEARING OF
THE SENATE COMMITTEE ON VETERANS' AFFAIRS

APRIL 30, 1987

CHARTERED BY THE CONGRESS OF THE UNITED STATES

Mr. Chairman and Members of the Committee:

On behalf of National President Robert Routh Jr. and the membership of the Blinded Veterans Association (BVA), I am pleased to present written and oral remarks on S. 999, "Proposed Veterans Employment, Training, and Counseling Amendments of 1987." The BVA has supported and will continue to support the continuation and improvement of all employment, training, and counseling services as now exist under the unique federal-state relationship between the U.S. Department of Labor (DOL) through the Office of the Assistant Secretary of Labor for Veterans Employment and Training (ASVET) and the public employment services.

The BVA has long felt that a significant revision of Chapter 41 of Title 38 U.S. Code was overdue. The proposed amendments to Chapter 41 appear to address the deficiencies discussed by federal and state employment personnel, members of Congress, and the veteran service organizations. The proposed amendments have the potential to improve the delivery of such services to veterans and to establish a more effective and accountable relationship between the DOL/ASVET and the State Employment Security Agencies (SESAs). The revision should also increase the cooperation and coordination between DOL, the SESAs, the Veterans Administration (VA), and the Department of Defense (DOD). If implemented properly, the newly amended Chapter 41 can be the basis for significantly enhancing the quality and quantity of employment opportunities available to America's veterans.

The success of the Disabled Veteran Outreach Program (DVOP), first under the Comprehensive Employment and Training Act (CETA) and subsequently permanently established in Chapter 41, has received justifiable recognition for the last ten years. After its codification, the duties and responsibilities of the DVOPs have continued to evolve. However, because of the unique federal-state relationship, there has been an ongoing problem of misuse and occasional abuse in the assignment of duties for the DVOPs. Although the need for greater supervision of the DVOPs by the State Directors for Veterans Employment and Training (SDVETs) and Assistant State Directors for Veterans Employment and Training (ASDVETs) is beyond question if the DVO Program is to remain an integral and viable service delivery system. There will undoubtedly be concern on the part of the SESAs that increased supervision by the SDVETs and ASDVETs will interfere with the existing state personnel guidelines and procedures. Similarly, in proposing to amend Section 2004 of Chapter 41 to require the Local Veterans Representatives (LVERs) to be "functionally responsible" to the SDVETs and/or the ASDVETs may also cause concern among the SESAs. To dispel their concern and to alleviate future confusion in the implementation of this proposed amendment, the term, "Functionally responsible," should be more clearly defined.

The BVA has long desired a more specific statement in Chapter 41 regarding the formula for the establishment of LVER positions in the fifty states. The proposed formula will undoubtedly ensure that there will be sufficient veterans program staff to serve the employment, training, and counseling services for veterans. Negotiations to implement this provision between the ASVET through the SDVETs and the SESAs will be necessary to ensure that the allocation of personnel resources are equitably assigned. For example, basing the LVER assignment on either the number of veteran registrations in the Local Office (LO) or on the veteran population in the LO's administrative area may cause staffing problems, especially in large employment offices in metropolitan areas.

Additionally, serious consideration must be given during these negotiations to determine if veteran applicants will be channeled through the "mainstream" selection and referral process in the LO or if the LVERs and the DVOPs will provide these services as a "Veterans Unit." With the existing and now proposed additional responsibilities, it would appear that the LVERs and DVOPs will not be able to serve every veteran. The practice in many states has been to have Placement staff make the necessary selection and referrals for job ready veterans, while the DVOPs handled the disabled and those in need of vocational counseling or training referrals. Historically, the assignment of LVERs and DVOPs, to a degree, have often been based on the immediate financial exigencies of the SESAs. Requiring a uniform allocation formula, the appointment of veterans as LVERs and to have them exclusively serve veterans will go a long way toward eliminating unintentional or deliberate misuse.

Requiring the SESAs to base their LVER funding projections on the proposed formula will ensure the appropriate staffing allocations. It must be noted, however, that some states use a different accounting system in determining the cost of a fulltime equivalent and consequently, their funding projections may differ from those of DOL. DOL and the SESAs should be required to adopt the same accounting methodology for their projections.

As important as the LVER allocation and appointment requirements are, the development and implementation of uniform performance standards for LVERs and DVOPs is essential. SESAs can be required to comply with funding projections and veterans can be appointed to serve as LVERs, but unless the LVER, the DVOP and the LO manager and supervisors do not know the specific duties and responsibilities of the veteran program staff, there will continue to be misuse of these resources. The standards must be uniform but flexible enough in structure to meet the needs of the LO veteran population. Requiring the SDVETs and ASDVETs to be directly in the formulation of each LVER's performance rating through his comments to the LO supervisor is not as radical as it may first appear. Many SDVETs and ASDVETs have made it a practice to review and comment on the performance of the LVER and the DVOPs during their LO evaluation of veteran services. It will be incumbent upon the ASVET to provide sufficient information and guidelines to the Veterans Employment and Training Staff (VETS) to ensure that proper personnel procedures are observed and that the individual's rights and state personnel codes are not violated.

If there has been one area in which the public employment service has failed its veteran applicants, it is in its inability to provide adequate and quality counseling services. The proposed amendment here will go a long way in ensuring that the veteran will receive the needed vocational counseling. Some states have already made provisions to train LVERs and DVOPs as Vocational Counselors, realizing that they are the best source for meeting this deficiency. Problems have arisen, however, because of the reluctance of state personnel agencies and professional counseling groups to allow the LVERs and

DVOPs without Bachelor degrees to be classified as Vocational Counselors. The adoption of this provision may provide the necessary impetus to the SESAs to obtain changes in the state personnel codes.

From all that we have heard, the pilot project establishing the National Veterans Training Institute (NVTI) has been very successful. We firmly support the amendment that would codify the NVTI as a permanent training institute for VETS staff, LVERs and DVOPs. Along with training in case management, counseling practices and resource networking, we recommend that the federal and state staff be given further training to develop greater sensitivity to and understanding of the capabilities of the severely disabled veterans and their unique employment needs. The increased sensitivity must be accompanied with the recognition by all levels within the veterans employment services delivery system that counseling, job development, and placement of this category of veteran is time consuming. Such services, however, are at the heart of the veterans programs.

The proposed amendments in Sections 5 and 8 requiring the DOD and the VA to share their lists of employers with the DOL/VETS and the SESAs on a regular basis would be helpful. The DOD list from the National Committee for Employer Support for the Guard and Reserve (NCESGR) would not only provide the veteran staff with greater placement possibilities with this group of dedicated employers but also increase the contacts with the "citizen soldiers" of the Guard and the Reserve. Similarly, requiring the VA to supply DOL/VETS and the SESAs with its approved Veterans Job Training Act (VJTA) employer list from each VA Regional Office will also enhance the employment opportunities for all veterans.

The BVA supported the adoption of the Emergency Veterans Job Training Act and wholeheartedly endorse the proposed amendments in Section 9 to the VJTA. As successful as this program has been, the greatest drawback has been the failure of 40% of the trainees to complete their program. Speeding up the employer reimbursement and offering a cash incentive for completion of the veteran's training program should reduce the numbers failing to finish.

The BVA believes that the revision of Chapter 41 will go a long way toward improving the effectiveness and accountability of this joint federal-state partnership. The amendments will enhance the quality and timeliness of employment training opportunities for all veterans. The proposed changes to the VJTA will undoubtedly preserve and increase the success of this program. The changes in the reimbursement formula and establishment of greater coordination between the DOL/VETS, the VA, and the SESAs offers increased job opportunities, participation and retention of veterans in the training programs.

# # #

PVA
PARALYZED VETERANS
OF AMERICA

STATEMENT OF
BOB MORAN, ASSOCIATE LEGISLATIVE DIRECTOR
PARALYZED VETERANS OF AMERICA
BEFORE THE
SENATE COMMITTEE ON VETERANS' AFFAIRS
CONCERNING
VETERANS ADMINISTRATION'S EDUCATION AND EMPLOYMENT PROGRAMS
APRIL 30, 1987

Mr. Chairman and Members of the Committee, on behalf of the members of Paralyzed Veterans of America, I want to thank you for this opportunity to present our views regarding several of the Veterans' Administrations Education and Employment Programs; I am Bob Moran, PVA Associate Legislative Director.

At the outset, PVA would like to commend you, Senator Cranston as Chairman of the Committee, for holding this hearing. Additionally, we wish to further compliment you and each individual Member of the Committee for your efforts to examine and evaluate the VA's Education and Employment Programs which are of importance to our nation's veterans.

801 Eighteenth Street, N.W., Washington, D.C. 20006 (202) USA-1300
Chartered by the Congress of the United States

PVA supports S. 999, the "Veterans' Employment and Training Amendments of 1987," introduced by you Mr. Chairman, and also supports your amendment to S. 999, Amendment No. 160. This legislation would improve veterans' employment, job training, and couseling services and programs under Chapter 41 of title 38, United States Code. Additionally, the legislation would extend the deadlines governing applications and entry into the Veterans' Job Training Act (VJTA) and would authorize appropriations for Fiscal Years 1988 and 1989. As you know, the VJTA came into being as a result of Public Law 98-77, enacted in 1983, in response to very high veteran unemployment that existed at that time.

From the information that has been compiled over the course of the program, and despite its slow start, the VJTA program has been responsible for the issuance of Certificates of Eligibility to over 460,000 veterans, and over 70,000 employers have had training programs certified as acceptable, which constitutes a potential market of over 164,000 new jobs for veterans.

The Veterans Administration and the Department of Labor have shared joint responsibility for the implementation of this program, and both agencies agree that the VJTA has been a very successful endeavor. To date, over 52,000 veterans have been successfully matched to prospective employers. PVA believes that the VJTA is beginning to fulfill, to its potential, the promise of successfully placing veterans into government-supported, employer-conducted, work training programs. And, as the statistics demonstrate, work training programs such as the VJTA are leading veterans into full-time employment positions.

Mr. Chairman, the goal of the VJTA is to address the problem of severe and continuing unemployment among certain groups of veterans by providing payments to defray the cost of training to employers who hire and train these veterans. The VJTA has done just that, having assisted over 52,000 long-term unemployed veterans into returning back to work. Additionally, veterans who are employed under VJTA immediately become tax payers, not tax users, thus benefitting all Americans. The VJTA program should be extended and again I would like to commend you Mr. Chairman and each Member of the Committee for your interest and concern for such a most worthwhile program.

And lastly Mr. Chairman, I would like to comment on S. 918, the "Veterans' Educational Assistance Improvements Act of 1987," legislation requested by the Administration. PVA is concerned with Section 102, contained within S. 918, a provision which would eliminate the authority to make advance payments under Chapter 31, the VA's vocational rehabilitation program. Under current law, certain veterans are eligible to receive subsistence allowances under Chapter 31, and may upon request, be provided an advance payment equal to as much as two months subsistence allowance prior to actual entry into a program of vocational rehabilitation.

These advanced payments are intended to assist veterans with the initial expenses incurred with starting an educational program. For some disabled veterans, before being able to start training they are faced with a variety of added expenses such as transportation, clothing, and other personal readjustment expenses, not to mention their living expenses during the initial periods of training.

To deny this particular category of eligible veterans this benefit, one which could determine the success or failure of their vocational training program, we believe is unwarranted and unwise.

In conclusion Mr. Chairman, the importance of viable veterans' employment and training programs, if placed in proper perspective, are critical parts of the overall well-being of one's life, and can and should be viewed as the pinnacle of the veteran's health-care continuum. Jobs are important in an individual's self perception. If a veteran does not have a vocation, a job, this can and often does give rise to various health maladies that can accompany the sometimes lowered self-esteem that goes hand-in-hand with one's unemployed condition.

We cannot deny the fact that, in our society, even as welfare-oriented as some may have us believe we have become, we still place a very high value on the work ethic - that each person should, to the best of his or her own personal ability, perform certain duties and/or activities that lead to the betterment of themselves, their family, and society in general. Most of us, from the time we are born, have a work-related responsibility to ourselves, to our loved ones, and to the country in which we were born. A veteran, more than most Americans, knows full well this fact of life.

This concludes my statement and I would be glad to respond to any questions that you might have. Thank you.

Department of Medicine
and Surgery
Washington D.C. 20420

**Veterans
Administration**

JUN 2 1987

In Reply Refer To: 10A41A

Honorable Alan Cranston
Chairman
Committee on Veterans' Affairs
United States Senate
Washington, DC 20510-6375

Dear Mr. Chairman:

I am responding to your letter of May 8, 1987, relating to matters arising during your oversight hearing of April 14, 1987.

At this juncture, I cannot provide a comprehensive response to each of the ten questions you posed concerning the Hawaii initiative. When the Hawaii Veterans Health Care Task Force completes its task in mid-July and the Department considers its recommendations, I will provide you a full report on our plans and other pertinent developments. This report will contain responses to each of the questions in your letter.

Let me briefly bring you up to date regarding our initiative. I have appointed the Hawaii Veterans Health Care Task Force as of May 11, 1987. Miss Marjorie R. Quandt, our Director of Strategic Planning, is chairing the group, which has a broad and representative membership from within the Department. A copy of my memorandum listing the Task Force membership and describing its charge is enclosed. The Task Force has established an implementation schedule and work plan, also enclosed, and held meetings here in Washington on May 22 and in San Francisco on May 26. The Task Force will consider the full range of alternatives for patient care, and will consult with University of Hawaii staff about relevant issues and options, such as those you mentioned in your letter. The Task Force is now in Hawaii, and we will also be consulting with VA staff of Guam and the Philippines. The Task force will also take into account the health care environment of American Samoa. In this manner, the effort will help us gain the broadest possible insight about the health care challenges confronting Pacific Basin veterans and the VA system of care.

Regarding beneficiary travel, we do not consider travel pursuant to outpatient treatment as an interfacility transfer for reimbursement purposes. We will, however, continue to authorize payment for travel from contract inpatient facilities to other inpatient facilities under VA auspices. We are now reviewing the relevant regulation to provide relief to veterans residing in the neighbor islands where air travel is necessary to obtain care.

"America is #1—Thanks to our Veterans"

I am confident we will complete our work on this Task Force at an early date, and that it will offer both the Veterans Administration and the Congress valuable options for resolving the key issues concerning health care for veterans in Hawaii.

Sincerely,

John A. Gronvall

JOHN A. GRONVALL, M.D.
Chief Medical Director

Enclosures

Veterans
Administration

Memorandum

Date MAY 1 1 1987
From Chief Medical Director (10A4)
Subj Appointment of Hawaii Veterans Health Care Task Force
To Key Staff Officials

1. In testimony before the Senate Veterans' Affairs Committee on April 14, 1987, I informed the Committee Chairman of my intention to appoint a special task force to review the Hawaii veterans health care situation and to recommend to me the proper course for the Department to improve our response to current and future health care demands. To that end, the purpose of this memorandum is to appoint the Hawaii Veterans Health Care Task Force.

2. Task force membership is as follows:

Name	Organization
Marjorie R. Quandt (Chair)	Strategic Planning (10A4)
Robert Neary	Office of Facilities (08)
Kenneth Clark	Western Region (10BA6)
Terrence Hobbs	Western Region (10BA6)
Kendall Posey	Administration (136B)
Eugene Zuchowsky, Ph.D.	Chief, Psychology Service VAMC, Palo Alto, CA
Paul Errera, M.D.	Clinical Affairs (116)
Arthur Blank, M.D.	Operations (10BRC)
Robert E. Lindsey, Jr. (Ex-Officio)	Operations (10BA)
William Vandervort, M.D. (Ex-Officio)	Director, OPC, Honolulu, HI

3. I charge the Hawaii Veterans Health Care Task Force to concern itself with the following endeavors:

o carefully examine issues and trends affecting Hawaii veterans and the delivery of health care services to them, with particular regard to utilization rate disparities separating the Hawaii experience and that of veterans' medical care on the mainland;

o assess the variety, adequacy and distribution of community health care facilities on Oahu and the outer Hawaiian Islands as well as other Pacific Basin islands;

o analyze the demographic effects now, and those projected to occur in the future;

o consider what should be VA's overall direction in respect to a continuing relationship with Tripler Army Medical Center, especially as it relates to the "E-Wing" commitment;

2.

Key Staff Officials

o explore the possibility of establishing short- or long-term relationships with private sector providers to meet veterans' health care needs, either in supplementation to Tripler-provided services, or to replace them; and

o develop and recommend to me the best array of services and programs aimed at meeting veterans' needs in accordance with their statutory eligibility.

The above particulars are not intended as an exhaustive list, but should be considered guidelines for work by the task force. A number of other areas need exploration, many of which are known already by task force members. All should be explored and resolved.

4. Offices here in Washington and in the field may be called upon to support the work of the task force, and I ask full, continuing cooperation. I have promised the Senate Committee that I will consider the task force's recommendations within the window of opportunity of the FY1989 budget formulation period. In order to keep that promise, I need a final report from the task force, including all necessary concurrences, by July 10, 1987.

5. Any programmatic reviews, work groups, or other planning activities underway presently concerning Hawaii should report their work through the Chair of this task force. Any travel required of field personnel and Central Office staff will be supported by the Director, Strategic Planning.

John A Gronvall

JOHN A. GRONVALL, M.D.

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FROM THE OFFICE OF EXECUTIVE COMMUNICATIONS (101B)

DATE 05/14/87

IMPLEMENTATION PLAN FOR HAWAII TASK FORCE

5/11 - 5/12 Finalize implementation plan, assign responsibilities for tasks.

5/11 - 5/22 Initiate data/information development and collection efforts.

- -- CMD memo appointing task force
- -- Hawaii Congressional hearing package
- -- Demographic data, projections
- -- VA Hawaii workload data (from VACO, Honolulu, San Francisco, Seattle)
- -- Hawaii vs. U.S. utilization rates
- -- List of Hawaii health care facilities, maps with locations
- -- DOD facility data
- -- Summary of key Hawaii issues
- -- Key correspondence, studies
- -- Cost data

Development of Protocol Materials

- -- Task force objectivies
- -- Options for acute inpatient, outpatient, extended and non-institutional care
- -- Criteria for evaluating options

Conference call - outer island subgroup of task force

Decide on specific site visits, itinerary, tasks in Hawaii. Request Honolulu OPC make arrangments

5/22	Task force orientation meeting in VACO, Washington, D.C.
5/26	Task force travel to San Francisco
5/27	Visit team pre-Hawaii meeting in San Francisco (finalize plans)
5/28 - 6/3	Hawaiian Island site visits by teams
6/4	Task force travel to San Francisco
6/5	Task force and visit teams post-Hawaii meeting in San Francisco (Review findings, conclusions, recommendations)
6/10	Report drafted and circulated for necessary concurrences
7/10	Concurrences and approvals by CMD and Administrator
7/12	Determine dissemination of Task Force Report (CMD and Administrator)

AMVETS

National Headquarters
4647 Forbes Boulevard, Lanham, Maryland 20706
(301) 459-9600

James G. Bourie
NATIONAL SERVICE DIRECTOR

April 30, 1987

The Honorable Alan S. Cranston
Chairman
Committee on Veterans' Affairs
SR-414 Russell Senate Office Building
United States Senate
Washington, DC 20510-6375

Alan

Dear Chairman Cranston:

First, our deep appreciation to you and the members of the Veterans' Affairs Committee for your deep concern and active interest in veteran employment and training programs and services. You have the full support and cooperation of AMVETS.

As regard your follow-up questions on S999, we are pleased to offer the following responses:

1. AMVETS has no official resolution on the matter of residency requirements for SDVETS. However, this issue has long plagued the VETS in attracting and retaining qualified SDVETS. We are aware that there exists an imbalance between those states who have ASDVETS and those which do not, coupled with the provision that qualified candidates cannot cross into different states. By choosing only residents of a particular state, qualified ASDVETS are denied advancement opportunities.

2. In its prepared remarks AMVETS favored a VJTP set-aside for administrative matters for whatever reason(s); training of DVOPs, to increase the VA's VBC's--we thus would be supportive of an administrative set-aside amendment.

3. Also in our remarks AMVETS favored S918 and we now continue to do so.

Should there be any further questions, please feel free to contact me.

Sincerely,

James G. Bourie
National Service Director

JCB:pjf

American Veterans of World War II, Korea and Vietnam

BLINDED VETERANS ASSOCIATION
1726 M STREET, NORTHWEST, SUITE 800 • WASHINGTON, D C 20036 (202) 223-3066

RESPONSES TO QUESTIONS
SUBMITTED BY
SENATOR ALAN CRANSTON
REGARDING S.999 AND S.918

1. The BVA supports the elimination of, or at least, a change in the residency requirement. One change that might be acceptable to all parties would be to require a State Director to first be an Assistant State Director, for at least a period of two years, in some state.

2. No funds should be set aside to (1) provide for the training of DVOPs to perform certain counseling functions for veterans certified for, or participating in VJTA or, to (2) increase the VAs professional counseling services to veterans certified for, or participating in, VJTA. The funds allocated for on the job training should be utilized in that manner. Setting aside even a small amount for training DVOPs as counselors and/or increasing the VAs professional counseling services could allow DOL, the SESAs, and the VA to avoid funding the counseling program.

3. The BVA supports passage of S.918.

DAV

Motto: "If I cannot speak good of my comrade, I will not speak ill of him."

DISABLED AMERICAN VETERANS

NATIONAL SERVICE and LEGISLATIVE HEADQUARTERS
807 MAINE AVENUE, S.W.
WASHINGTON, D.C. 20024
(202) 554-3501

May 12, 1987

Honorable Alan Cranston, Chairman
Senate Veterans Affairs Committee
414 Russell Senate Office Building
Washington, DC 20510

Dear Chairman Cranston:

This is in response to your request for our views on S. 918.

Chairman Cranston, the DAV fully recognizes this legislation was introduced at the request of the Administration and, therefore, does not necessarily represent your views. Quite frankly, the DAV has some concerns about the so-called "improvements" contained in this measure.

As introduced, S. 918 proposes, among other things, to make certain improvements in the VA's educational assistance programs. Title I, Section 101 of the measure proposes to amend Title 38, U. S. Code to provide for a two week period, after initial entry on active duty, during which an individual has to exercise their right to decline participation in the New GI Bill. Mr. Chairman, the DAV has no official position on this proposed change.

Section 102 of Title I proposes to eliminate, from Section 1508 and 1780 of Title 38, U. S. Code, the Administrator's authority to make advance payments of subsistence allowances under Chapter 31. As you are well aware, Congress established the advance payment program in recognition of the extra financial burdens placed upon veterans beginning a program of education or training.

The Administration espouses the view that Chapter 31 participants -- all of which are service-connected disabled veterans -- do not need the extra assistance, as all fees associated with their entry into training are paid by the VA; authority already exists in Section 1512, Title 38, U. S. Code to provide a revolving fund loan.

Mr Chairman, the DAV believes it is presumptuous of the Administration to say that service-connected disabled veterans do not need assistance when initially entering a program of training the same as other non-disabled veterans.

Furthermore, it is significant to point out that Section 1780 of Title 38, U. S. Code, provides that the Administrator shall make advance payments of educational or subsistence allowances while Section 1512 of Title 38, U. S. Code provides that the Administrator may make revolving fund loans to veterans participating in a course of vocational rehabilitation under Chapter 31.

Mr. Chairman, in as much as the proposed revision of Section 1780, Title 38, U. S. Code may impact adversely upon service-connected disabled veterans entering a program of training under Chapter 31 we are opposed to its enactment.

Section 103 of the measure proposes to eliminate a provision in Section 1685 of Title 38, U. S. Code which requires the VA to make an advanced payment of 40 percent of the total work study allowance to a veteran-student. Mr. Chairman, we see no valid reason or justification to discontinue this practice as veteran-students, for the most part, have limited finances and resources.

Section 104 proposes to change Section 1788(c), Title 38, U. S. Code to consider two "50-minute periods" of laboratory instruction as a standard class session. As we understand, this change is necessary to extend full credit for lab sessions, since most educational institutions now use 50-minute rather than 60-minute laboratory sessions. The DAV has no objection to this change.

Section 105 of the measure proposes to amend Section 1793 of Title 38, U. S. Code to remove the numerical guidelines for VA compliance surveys -- and allow the VA to conduct such surveys "whenever appropriate and in the best interest of the government." Mr. Chairman, the DAV has not seen any evidence to indicate that the current compliance survey requirements are not working.

Section 106 proposes a technical amendment to amend Title 38, U. S. Code to provide that Chapter 32 complies with Section 3013, the same as required of Chapters 30, 31, 34 and 35. The DAV has no objection to this technical amendment.

Finally, Title II, Section 201 of the measure, proposes to repeal the authority in Title 38 to make educational loans (including accelerated payments) to eligible veterans. Mr. Chairman, the practice of making educational loans or accelerated payments have assisted many veterans in furthering their education, many of whom would not have otherwise been able to do so. For this reason, we must seriously question the wisdom in terminating such a program. Consequently, Sections 202 and Title III, Section 301, in our opinion, are not necessary.

Mr Chairman, this concludes our comments regarding S. 918. We appreciate the opportunity to express our views on this measure.

Sincerely yours,

John F. Heilman
JOHN F. HEILMAN
National Legislative Director

JFH:lrd

PVA

PARALYZED VETERANS
OF AMERICA

Forty Years of Service
1947–1987

May 13, 1987

The Honorable Alan Cranston, Chairman
Senate Committee on Veterans' Affairs
414 Senate Hart Office Building
Washington, D.C. 20510

Dear Senator Cranston:

Thank you for allowing PVA to testify at the Senate Committee on Veterans' Affairs April 30 1987 hearing, concerning employment and education legislation. Enclosed for the hearing record are answers to your questions pertaining to the hearing.

Question 1. In Ron Drach's testimony, he states that the requirement limiting the appointment of a state director of veterans' employment and training to those who have been residents of the State for at least 2 years is too rigorous. He recommends that the residency requirement for State Directors be allowed to be waived so that Assistant State Directors could be considered for State Director vacancies in states in which they do not reside.

Answer 1. PVA would agree with the DAV and Mr. Drach's assessment.

Question 2. What would be each of your positions on adding to the legislation a set-aside of a very small percentage -- say 1 or 2 percent -- of V.J.T.A. funds to be used (1) To provide for the training of D-VOPs to perform certain counseling functions for veterans certified for, or participating in, V.J.T.A. and, (2) to increase the V.A.S. professional counseling services to veterans certified for, or participating in, V.J.T.A.

Answer 2. PVA agrees, it is needed.

Question 3. In the chairman's invitation letter to you he asked for your comments on S. 918, the proposed "Veterans' Educational Assistance Improvements Act of 1987" which he has introduced at the request of the Administration. If you have not provided your views on this bill in your prepared statement or oral testimony, would you please submit them for the record?

Answer 3. Our concerns to S. 918 were expressed in our testimony on page 3, and, as long as veterans under Chapter 31 are eligible and can receive advances from the revolving fund, which adequately addresses our concerns brought out in our testimony, we have no opposition to S. 918.

801 Eighteenth Street, N.W., Washington, D.C. 20006 (202) USA-1300
Chartered by the Congress of the United States

The Honorable Alan Cranston
Page Two
May 13, 1987

Again, thank you for your concern and for holding the April hearing. Also, thank you for allowing PVA the opportunity to testify, and I hope our input has been helpful. Please don't hesitate to contact us if you have any questions regarding our answers.

Sincerely yours,

Bob Moran

Bob Moran
Associate Legislative Director

BM/ef

cc: The Honorable Frank H. Murkowski

The American Legion

For God and Country

★ WASHINGTON OFFICE ★ 1608 "K" STREET, N.W. ★ WASHINGTON, D.C. 20006 ★
(202) 861-2700 ★

May 1, 1987

Honorable Alan Cranston, Chairman
Committee on Veterans Affairs
United States Senate
Washington, D.C. 20510

Dear Mr. Chairman:

Attached are The American Legion's responses to the questions that you recently raised concerning veterans employment matters. Should you have any further questions, please contact either myself or Mr. Phil Riggin, the Legion's Director of Legislation.

As always, we look forward to working with you and your staff on the important issues that lie before us.

With best personal regards, I am

Sincerely,

DENNIS K. RHOADES
Director for Economics

Attachment

RESPONSES TO FOLLOW-UP QUESTIONS POSED BY THE SENATE COMMITTEE ON VETERANS AFFAIRS RELATIVE TO S.999 AND S.918

1. Q: In Ron Drach's testimony, he states that the requirement limiting the appointment of a State Director of Veterans' Employment and Training to those who have been residents of the state for at least two years is too rigorous. He recommends that the residency requirement for State Directors be allowed to be waived so that Assistant State Directors could be considered for State Director vacancies in states in which they do not reside. What are each of your views on that recommendation?

1. A: The American Legion has not favored in the past any changes to the residency requirements for State and Assistant State Directors for Veterans' Employment and Training. We support the appointment of veterans advocates who are familiar with the state and the political processes which are becoming increasingly important to assure that veterans in that state receive the preferential services to which they are entitled. In addition, we would need to have absolute confidence that any such change would preserve the integrity of these key positions by prohibiting their use as rewards for otherwise inexperienced national political appointees.

2. Q: What would be each of your positions on adding to the legislation a set-aside of a very small percentage -- say one or two percent -- of V.J.T.A. funds to be used (1) to provide for the training of DVOPS to perform certain counseling functions for veterans certified for, or participating in, V.J.T.A. and, (2) to increase the V.A.S. professional counseling services to veterans certified for, or participating in, V.J.T.A.?

2. A: The American Legion strongly favors the provision of supportive services to veterans eligible for, or participating in V.J.T.A., and recognizes that without additional resources, the effectiveness of such services may be limited. As to the disposition of such additional resources, we see considerable merit in the application of funds to provide training for LVERs and DVOPs in certain counseling functions. We believe, on the other hand, that the size of the proposed set aside ($600,000 - $1,200,000) is insufficient for increasing the VA's professional counseling services. Based on an average cost of $48,000 (including non-personnel services) for a counseling psychologist, dedication of the entire set aside would only generate 12-26 positions nationwide.

3. Q: In the Chairman's invitation letter to you he asked for your comments on S. 918, the proposed "Veteran's Educational Assistance Improvements Act of 1987" which he has introduced at the request of the Administration. If you have not provided your views on this bill in your prepared statement or oral testimony, would you please submit them for the record?

3. A: Section 101 of this bill would amend section 1411 (c)(1) to allow an election not to participate in the basic educational assistance entitlement under Chapter 30 to be made within 14 days of entrance onto active duty, rather than at the time the individual offers a period of time for the enlistee to consider this education program and its potential benefits prior to the time that a final decision is required.

Section 102 would amend Chapter 31 so as to delete the provision for advance payment of subsistence allowance for the vocational rehabilitation program. Advance payment of education benefits was originally granted to those under Chapter 34 in the mid 1970s. It was extended to Chapter 31 in 1980. Although the Veterans Administration pays the training costs in a program of vocational rehabilitation, there are additional expenses involved with beginning such a program. These involve travel, lost wages and other issues which may create a need for the advance payment. Therefore, The American Legion would not support this proposal.

Section 103 of the bill would delete the advance payment of a portion of the VA workstudy allowance. As we understand it the reasoning for this legislation is that overpayments are a major problem in this program. The overpayments apparently stem from large numbers of veterans dropping out of school. Administrative offsets are not feasible and the payments are relatively small. It would appear to us that there exists a lack of administrative control to prevent such overpayments. The Administration's solution is to discontinue the benefit rather than to correct the situation. We do not support this proposal.

Section 104 of the measure would amend the definition of the term "standard classroom session" pertaining to laboratory instruction to reflect current institutional practices of having lab instruction courses of two 50 minute periods rather than a standard two hour lab. This is a technical amendment to which we would not offer objection.

Section 105 would delete the current requirement of annual compliance surveys of institutions offering approved courses in which 300 or more veterans are enrolled or which offer NCD courses. Surveys would be conducted "whenever appropriate and in the best interests of the Government". The reason behind this proposal is that it would reportedly permit a more effective use of VA personnel and still maintain active and effective enforcement of the law and regulations.

It would appear to us that these surveys, completed on a regular basis, are an essential means of ensuring the compliance of schools with the law and regulations. In addition, regularly conducted surveys should be a significant factor in reducing the overpayment problem. Therefore, we would not support this provision.

It would appear to us that these surveys, completed on a regular basis, are an essential means of ensuring the compliance of schools with the law and regulations. In addition, regularly conducted surveys should be a significant factor in reducing the overpayment problem. Therefore, we would not support this provision.

Section 106 would amend section 3013 of title 38, to require that awards under Chapter 32 (VEAP) correspond to the extent feasible with the effective dates relating to awards under the other education programs included in this title. This is a technical amendment to which we would have no objection.

Section 201 of the bill would repeal the authority that permits the Veterans Administration to make education loans where there is unused entitlement remaining at the expiration of a veteran's delimiting period, provided he or she was pursuing a program of education on a full-time basis at the time. This has been attempted several times in the past. Although, an earlier cost-savings measure, the Omnibus Budget Reconciliation Act of 1981, limited the number of individuals eligible for VA education loans, those who retain eligibility and who depend on these loans could be forced to discontinue their program of education or training. Thus, The American Legion opposes this initiative as we have previously.

This section would also amend sections 1682A and 1738 which authorize eligible veterans and eligible persons, respectively, to receive education loans in the form of accelerated payments of educational assistance allowances. Accelerated payment under these sections was made contingent upon establishment before November 24, 1982 of programs by States to pay the VA amounts which would match the accelerated payments authorized by VA. Since no States participated in this program, and the lifetime of the program has expired, we would not object to the repeal of these sections.

Office of the
Administrator
of Veterans Affairs

Washington DC 20420

Veterans
Administration

JUN 1 1987

Honorable Alan Cranston
Chairman, Committee on Veterans'
Affairs
United States Senate
Washington, D.C. 20510

Dear Mr. Chairman:

Enclosed please find the Agency's response to the question which you forwarded for the April 30, 1987, hearing by the Senate Veterans' Affairs Committee. Thank you for the opportunity to provide this additional information for the record.

Sincerely,

THOMAS K. TURNAGE
Administrator

Enclosure

Senator Cranston

Question: Mr. Vogel, what would your views be on adding a legislative requirement that VA investigate VJTA employers with "high" drop-out rates and deny them future certification unless corrective action is taken to reduce their drop-out rates?

Answer: As I indicated in my testimony, we do not favor an extension of the VJTA program. In the event that the program is extended, we could not endorse such a legislative requirement. Above all, such investigations would have a chilling effect on employer participation. It is one thing to investigate for illegalities, but it is quite another thing to investigate for lack of success.

Also, there are a number of reasons for high drop-out rates. We know that the overall drop-out rate is 60%. However, this figure has to be analyzed. Upon closer scrutiny, we find that, of the 60%, 25% left for a better job; another 25% left for job dissatisfaction; 40% were laid off or fired and the remaining 10% left for personal reasons, such as bad health. Therefore, it would not be fair to operate on the assumption that the high drop-out rate is entirely attributable to employers.

VETERANS OF FOREIGN WARS OF THE UNITED STATES

OFFICE OF THE DIRECTOR

May 1, 1987

The Honorable Alan Cranston, Chairman
Committee on Veterans' Affairs
United States Senate
Washington, DC 20510

Dear Chairman Cranston:

Please find enclosed the Veterans of Foreign Wars response to questions submitted by you with respect to testimony given during the recent Senate Veterans' Affairs Committee hearing on April 30, 1987.

With best wishes and kind regards, I am

Sincerely yours,

GORDON R. THORSON, Special Assistant
National Legislative Service

GRT/daa
Enclosure

★ WASHINGTON OFFICE ★
VFW MEMORIAL BUILDING ● 200 MARYLAND AVENUE, N.E. ● WASHINGTON, D. C. 20002 - 5799 ● AREA CODE 202-543-2239

QUESTION #1. In Ron Drach's testimony, he states that the requirement limiting the appointment of a State Director of Veterans' Employment and Training to those who have been residents of the state for at least 2 years is too rigorous. He recommends that the residency requirement for State Directors be allowed to be waived so that Assistant State Directors could be considered for State Director vacancies in states in which they do not reside. What are each of your views on that recommendation?

RESPONSE #1. The Veterans of Foreign Wars does not have a resolution giving us a National mandate to address this issue, therefore we cannot support this proposal.

QUESTION #2. What would be each of your positions on adding to the legislation a set-aside of a very small percentage — say 1 or 2 precent — of V.J.T.A. funds to be used (1) to provide for the training of DVOP's to perform certain counseling functions for veterans certified for, or participating in, V.J.T.A. and, (2) to increase the V.A.S. professional counseling services to veterans certified for, or participating in, V.J.T.A.

RESPONSE #2. The Veterans of Foreign Wars wholeheartedly supports the National Veterans Training Institute, and encourages that this facility be established as a national training resource. We visualize unlimited potential for this training program, and recommend funding for NVTI be established as a separate line item within the Assistant Secretary for Veterans' Employment and Training's annual budget.

Section 2002, 38 USC, charges the Assistant Secretary for Veterans' Employment with providing maximum employment and training opportunities giving priority to the needs of disabled veterans and veterans of the Vietnam-era. This could be accomplished through proper utilization of existing programs, coordination and merger of programs, and implementation of new programs.

Large sums of money have been obligated within Department of Labor programs, such as the Job Training Partnership Act, but have not been utilized for their intended purpose. We submit that the Secretary of Labor, under the guidelines of Section 2002, 38 USC could reobligate funds to enhance the training of the veterans' employment and training service providers. These funds could be further used to conduct outreach awareness and the administering of VJTA programs.

QUESTION #3. In the Chairman's invitation letter to you he asked for your comments on S. 918, the proposed "Veterans' Educational Assistance Improvements Act of 1987" which he has introduced at the request of the administration. If you have not provided your views on this bill in your prepared statement or oral testimony, would you please submit them for the record?

RESPONSE #3. During the VFW oral and written testimony we commented and stated our position on S. 918. We oppose most of the provisions contained in S. 918.

Vietnam Veterans of America, Inc.
2001 S St., NW
Suite 700
Washington, DC 20009-1125

(202) 332-2700

May 4, 1987

Honorable Alan Cranston
Chairman
Committee on Veterans Affairs
SR-414 Russell Senate Office Bldg.
United States Senate
Washington, DC 20510

Dear Mr. Chairman:

On behalf of Vietnam Veterans of America (VVA), I wish to thank you for allowing us to present our views on issues affecting veterans employment and training programs on Thursday, April 30, 1987. Enclosed please find written responses to each of the three questions to which you requested early reply.

VVA also wishes to again to both congratulate and thank you for your strong leadership in moving to improve and extend the Veterans Job Training Act and to strenghten Chapter 41 of Title 38, USC. I hope that our suggestions to you, particularly in regard to participation of veterans in Department of Labor funded training programs, will prove to be of some use to you in your deliberation.

Sincerely,

Richard Weidman

Richard Weidman
Director of Government
Relations

Enclosure

★ A not-for-profit national veterans service organization ★

Answers to Questions
from Hearing of April 30, 1987

1. On page seven of our statement, Vietnam Veterans of America urges the Committee to either eliminate the residency requirement altogether or to modify it as to allow Assistant State Directors from other states to apply for vacant State Director positions in states in which they do not reside. Twenty of the 52 states and jurisdictions that have State Directors have no Assistant State Directors. On the other hand, there are eighty five Assistant State Directors in the other thirty two states, some states with as many as ten ASDVETS. In short, there is extremely limited opportunity for advancement for most of these people, causing some of the best qualified individuals to leave the Veterams Employment and Training Service. VVA is very much in favor of modifying the residency requirement to allow ASDVETS from other states to apply.

2. VVA would not be in favor of a "set-aside" of VJTA to be used for training DVOPS or paying the VA to counsel VJTA participants. VVA strongly endorses the provision that would legislatively mandate the National Veterans Employment and Training Service Institute (NVETSI). Additional funding for training DVOPS and LVERS should be incuded in appropriations for the NVETSI. As to the Veterans Administration's Vocational Rehabilitation and Education Service being paid for counseling VJTA participants it is VVA's position that this is not the best manner to meet the central problem of there not being enough resources within VR&E. The solution here is fairly straigthforward in that the funds and FTEE devoted to vocational counseling in the FY 1988 budget be increased.

   Lastly in this regard, part of the problem is lack of various types of counseling being available in a timely manner to VJTA or to VR&E participants is a seeming lack of systematic cooperation, coordination, cross-training of personnel, and regular systematic contact between VA personnel and VETS funded personnel at the service delivery level. The current VA/DoL "working agreement" is in need of revision and monitoring of implementation.

3. Vietnam Veterans of America cannot support S. 918, the Administration's proposed "Veterans' Educational Assistance Improvements Act of 1987." In regard to specific areas of S. 918, Section 102 and Section 103 of Title I of the Act would eliminate advance payments for Chapter 31 subsistence allowances and the VA workstudy program. What seems to be in order is better quality control and tighter administrative control of this program to reduce any potential alleged abuse. VVA takes a similar stance toward Section 201 and 202 of Title II which would eradicate even any mention of the Education Loan Program from Title 38.

VVA believes that if the VA needs additional statutory authority in order to properly administer this program then they should request such authority, rather than seeking to eliminate the program altogether. If additional monitoring is needed to better implement this program, VVA is puzzled by Section 105 of Title I, which seems to call for less supervision.

While there may need to be some changes in the time frame when new recruits can "opt in" or "opt out" of the "New GI Bill" (See Section 101 of Title I of the Act), this proposed change does not seem to be material to any concerns that VVA has in this regard based on direct contact with new recruits.

Vietnam Veterans of America does not support S. 918, although VVA does believe that some changes, both administrative and statutory may be needed in regard to both the loan program and the "New GI Bill."

WRITTEN QUESTIONS FROM SENATOR THURMOND TO DR. DAVID

AND THE RESPONSES

1. WHAT IS THE COURSE OF FUNDING FOR LOCAL VETERANS' EMPLOYMENT REPRESENTATIVES AND DISABLED VETERANS' OUTREACH PROGRAM PARTICIPANTS?

The basis for funding for the administration of the Employment Security System is the Employment Security Administrative Account (ESAA). The funds collected under this account are used for a variety of administrative activities, including the veterans' representatives and specialists noted in your question. The ESAA is an account funded in total through dedicated tax dollars. Employers are taxed specifically for these Employment Security services, and the funds in the account cannot legally be used for any other program. In actual operation, the Employment Security Administrative Account is very similar to Social Security. The ESAA will have a surplus balance exceeding $1.2 billion on July 1, 1987.

2. WHAT IMPACT WOULD AN INCREASE IN LOCAL VETERANS' EMPLOYMENT REPRESENTATIVES HAVE ON THE BUDGET?

With a $1.2 billion surplus in the ESAA, it is evident that the number of local veterans' employment representatives could be increased as needed with little major effect on the fund's balance. The only problem arises if funds for these positions are switched from other existing programs rather than funded through the substantial surplus. Actual dollar impact could not be estimated until the number of representatives plus their state-associated costs (salaries, fringe benefits, travel and salary increases) could be determined. The surplus is being used as "Hostage Funds" to off-set other deficits in the Unified Budget. Dedicated funds should not be a part of the Unified Budget.

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